

Reagan Sends Envoy to Manila With Blunt Warning on Rebels



Paul Laxalt

By Lou Cannon
and Bob Woodward

WASHINGTON — President Ronald Reagan has sent Senator Paul Laxalt to the Philippines with what one administration official called "an extremely blunt message of warning" to President Ferdinand E. Marcos that his regime was in danger of being overthrown by Communist insurgents.

The official said that assessments by the U.S. Central Intelligence Agency and a special national security planning group point to the potential of the Philippines becoming "this administration's Iran" unless Mr. Marcos takes immediate steps to combat the growing Communist insurgency. The U.S. military has two vital bases in the Philippines.

One official said that the warning carried by Mr. Laxalt, a Republican from Nevada, was "the bluntest presidential message ever delivered to a friend." He said that Mr. Marcos would be told that he was "screwing up the fight against the insurgency" and that his government was too preoccupied with financial gain and domestic politics and not enough with combating the increasingly powerful New People's Army.

[The White House spokesman, Larry Speakes, said Tuesday in confirming the Laxalt mission that it was "a little overblown" to suggest that the Marcos government was in danger of being overthrown, United Press International reported.]

[Mr. Speakes confirmed reports that Mr. Laxalt has gone to Manila to meet with Mr. Marcos but denied that he would deliver the bluntest presidential message ever sent to an ally.]

[The president wanted a close friend and longtime associate to go and visit a close, longtime ally to discuss with him the current state of affairs there and stress the continuing close relationship, Mr. Speakes said. Asked if Mr. Laxalt was delivering a warning based on U.S. intelligence that the Marcos government was in danger of being overthrown, Mr. Speakes said: "It is not our business to say that."

[Mr. Laxalt is expected to give Mr. Reagan a frank assessment on the mood and capacity of Mr. Marcos, who was elected president in 1965 and has remained in office since then. From 1972 to 1982 he ruled by martial law in the Philippines.]

Reagan administration officials said that the question of whether the United States should back an alternative to Mr. Marcos had been "discussed within the government" but not resolved.

The Philippines was identified in Watch Report, the CIA quarterly, as the country with the greatest potential for instability among countries in which U.S. security interests rank high. The director of central intelligence, William J. Casey, and the national security affairs adviser, Robert C. McFarlane, have emphasized to the president the precarious position of the Philippines, officials said.

They said that the warning of U.S. officials was underscored last week by Prime Minister Lee Kuan Yew of Singapore in a meeting with Mr. Reagan at the White House.

In an interview with The Washington Post during his visit, Mr. Lee called the Philippines "a source for anxiety." He said that "the population is in distress" and predicted that the insurgents will grow "quite a bit stronger" if economic problems are not resolved.

The White House announced the Laxalt mission on Monday after The Washington Times published an article about the trip.

Mr. Laxalt, general chairman of the Republican Party and chairman of three of Mr. Reagan's presidential campaigns, announced in August that he would not seek a third term in the Senate. He told Mr. Reagan that he would be available for sensitive trouble-shooting assignments.

Last week, Representative Dave McCurdy, an Oklahoma Democrat and member of the House Intelligence and Armed Services committees, said that the CIA and the Defense Intelligence Agency had warned that present trends in the Philippines are "really downward and very negative" and headed for "catastrophe."

At stake in the Philippines is the security of Clark Air Base and Subic Bay Naval Base, the two biggest U.S. military installations outside the United States. The Pentagon recently announced plans to invest \$1.3 billion to upgrade the bases.

The United States has lease of the bases until 1991, but Richard L. Armitage, an assistant secretary of defense, said that "we are seriously looking at alternatives" because of the instability of the Philippine government. The potential loss of these bases is of concern because of Soviet naval presence at Cam Ranh Bay in Vietnam.

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Italian diplomats said Mr. Andreotti explained the judicial and political reasons behind its government's decision to release Mr. Abbas.

"We disagree, we haven't composed our differences," Mr. Shultz told a press conference in Brussels. The controversy broke out after Mohammed Abbas, an ally of Yasser Arafat, the chairman of the Palestine Liberation Organization, was allowed to leave Rome for Yugoslavia over the weekend.

[In Italy, meanwhile, there was no indication when discussions about the hijacking would resume in the divided Italian cabinet, Reuters reported from Rome. Defense Minister Giovanni Spadolini had denounced Mr. Abbas's release and boycotted a meeting Monday of Mr. Craxi's key cabinet officials.]

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Mr. Shultz said he was "glad to know" that the Italian government would indict Mr. Abbas if it determined there was sufficient evidence to do so. He also expressed his "full confidence" that the four Palestinians now being held in Italy for carrying out the hijacking "will be tried according to the law in the strongest way."



NATO WANTS NEW ARMS OFFER — Secretary of State George P. Shultz briefed NATO ministers Tuesday on preparations for next month's U.S.-Soviet summit talks. The allies pressed Washington for arms initiatives that include Soviet ideas. Page 4.

Italian Official, in Talks With Shultz, Stands By Decision to Free Abbas

By William Drozdiak

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cause his detention would present troubles for Egypt, a friend of both the United States and Italy.

Mr. Shultz called the Italian explanation "incomprehensible," according to an official in the Italian Foreign Ministry.

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Reagan Refuses Apology to Cairo For Jet Capture

By David Hoffman

BOISE, Idaho — President Ronald Reagan said Tuesday that he would "never" apologize to Egypt for the interception of a civilian airliner carrying Palestinians who hijacked the Italian ship the Achille Lauro.

Arriving here on the first stop of a Middle East trip to campaign for Senate Republicans, Mr. Reagan was asked if the United States had anything to apologize for to the Egyptians for the interception.

"Never," he responded. Mr. Reagan said that he would have no comment on the state of U.S.-Egyptian relations.

On Monday, President Hosni Mubarak had demanded an apology for the incident.

Larry Speakes, the White House spokesman, added, "We've said everything we need to say."

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word "persuade" and the crowd erupted in laughter and applause.

He did not mention U.S. frustration over Italy's release of another Palestinian, Mohammed Abbas, who was aboard the Egyptian plane. Mr. Abbas, who the United States has accused of being the mastermind of the Oct. 7 hijacking of the Achille Lauro, was allowed by Italy to leave for Yugoslavia. His current whereabouts are not known.

Western officials in Syria, meanwhile, were trying to identify a body that washed ashore to determine if it was that of Leon Klinghoffer, 69, who was killed in the hijacking.

The body of an elderly man washed ashore near the port of Tartus.

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Jordan Backs U.K. on Rift With PLO

The Associated Press

LONDON — King Hussein of Jordan said Tuesday that the British government "acted very honorably" in canceling a high-level meeting with representatives of the Palestine Liberation Organization on Monday.

The king supported Britain's contention that it called off the meeting when one of the two PLO representatives refused to sign a statement that had been agreed to on rejecting violence and accepting Israeli's right to exist.

The PLO, in a statement issued Tuesday in Amman and Tunis, said it rejected "the false explanations issued by the British foreign secretary which increased the complications in the Middle East situation."

In a television interview, Hussein, who arrived Tuesday for a private visit, refused to blame any party for the collapse of the talks.

"If there was a misunderstanding in terms of one member of the Palestinian delegation not having been aware of what was happening, it is certainly neither our fault nor anyone else's fault and is indeed very regrettable," he said.

He said he would have to reassess his peace initiative, begun in February with Yasser Arafat, the PLO leader. It calls for peace talks by a joint Jordanian-Palestinian delegation with Israel, but Israel has refused to talk to the PLO.

"I feel when we go back to our part of world," he said, "we will have to reassess our position, look at the problem once again with the PLO, with the Palestinian people, with others and see what went wrong and how it can be corrected."

Meanwhile, British embassies in the Middle East increased security in expectation of terrorist attacks over the cancellation of the talks, Britain's domestic news agency, Press Association, reported. The Foreign Office refused comment.

The PLO representatives, Mohammed Milhem, a PLO executive committee member and former West Bank mayor, and Bishop Elias Khoury were to have met Monday with the foreign secretary, Sir Geoffrey Howe, along with two Jordanian officials, Deputy Prime Minister Abdul-Wahab Majali and Foreign Minister Taher al-Masri.

Sir Geoffrey went ahead Monday with talks with the two Jordanians without the PLO members.

Sir Geoffrey expressed disappointment Tuesday that the talks had fallen through and pledged Britain's support for the "very courageous efforts" of King Hussein to negotiate a Middle East settlement.

Sir Geoffrey also said newspaper suggestions that Britain had given in to U.S. pressure not to hold the talks were "absolute nonsense."

An undersecretary in the Foreign Office, Malcolm Rifkind, said, "I can say unequivocally and without qualification that at no time did the Americans make any representations to us at any level to cancel the visit."

The conservative Daily Telegraph, quoting U.S. congressional sources, said President Ronald Reagan "had made his views known to Mrs. Thatcher 'in no uncertain terms.'"

The United States refuses to meet with the PLO until it recognizes Israel's right to exist and accepts United Nations resolutions for settlement of the Arab-Israeli situation.

The paper said the United States emphasized its view of the talks after Palestinians hijacked an Italian cruise ship, the Achille Lauro, and an American was killed.

Denis Healey, foreign affairs spokesman of the opposition Labor Party, described the cancellation of the meeting "as an appalling diplomatic shambles."

Soviet Names Top Planner To Politburo

By Andrew Rosenthal

MOSCOW — Mikhail S. Gorbachev added the new state-planning chief to the Politburo on Tuesday and criticized what he called "groundless fantasies" of the past, as the Communist Party leadership met to chart the Soviet Union's course for the rest of the century.

At a full session of the party's Central Committee, the planning chief, Nikolai A. Tikhonov, was named a nonvoting member of the Politburo, the Kremlin's most powerful policymaking body. The Tass news agency reported his appointment as head of the planning commission, or Gosplan, on Monday.

Also at Tuesday's session, one of the last members of the Brezhnev guard, Nikolai A. Tikhonov, the former prime minister, was retired from the Politburo.

In a speech at the meeting, Mr. Gorbachev lashed out at what he called a "dangerous trend" in U.S. foreign policy, and said that "international developments have approached a line that cannot be passed without taking most responsible decisions."

"These decisions," he said, "cannot be put off without risking loss of control over the dangerous processes threatening mankind's very existence."

Also at the meeting, the committee approved economic plans for 1986-90 and through the year 2000, which will be submitted for formal ratification by the Supreme Soviet, the nominal parliament, at its fall session in late November or early December.

The party also approved a draft edition of its "program," a general outline of goals, ideology and policy that is to be approved at a party congress to begin Feb. 25.

Details of these documents could not be obtained, but Tass said that they would be published in the Soviet press.

Mr. Gorbachev said the new economic plans called for industrial growth over the next 15 years equal to what has been achieved since Communist power was established in 1917.

He said that in the next five years, all increases in production would be achieved by increasing labor productivity. By the year 2000, he said, the party would increase of 130 percent to 150 percent over current productivity.

That would require annual increases of more than 6 percent, considerably higher than the 3.8 percent achieved in 1984.

The party program was drafted by a high-ranking committee under Mr. Gorbachev's direction. In his

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Prime Minister Rajiv Gandhi of India and his British counterpart, Margaret Thatcher, met Tuesday in London to discuss ways to cooperate in the battle against terrorists.

India Wins U.S. Concessions on High Tech

By Stuart Auerbach

WASHINGTON — The Reagan administration has approved \$49 million worth of high-technology sales to India in the past month and is considering allowing the country to buy a supercomputer.

It is the first tangible sign of a closer U.S.-India relationship since the visit to Washington in June of Prime Minister Rajiv Gandhi.

The sales, involving the most sophisticated high technology ever allowed for export to India under U.S. laws, were part of several approvals over the past few months that enabled India to buy \$894 million worth of American products in the fiscal year that ended Sept. 30. This was nearly \$400 million more than it was allowed to buy a year earlier.

The new relationship has also extended to the military. During a visit in August by a high Defense Ministry official, India was given approval to buy advanced jet engines from General Electric Corp. that would allow the Gandhi government to build its own combat planes and ease its dependence on Soviet-made MIGs.

A Reagan administration official, referring to the administration's attitude toward India, said, "There has been a palpable difference in the past six months."

The administration's "pretty strong antagonistic view has done an almost 180-degree turn," the official said. "There's no question that Rajiv Gandhi's visit turned it around."

"He made a good case and all of a sudden the White House discovered India is an important country," the official continued. "It is no longer in vogue to have a hard-nosed attitude on India."

A sign of India's new status is the serious consideration that administration officials are giving to the Gandhi request to buy a supercomputer for research on the monsoons.

There are fewer than 200 supercomputers in the world outside the U.S. national security establishment. For India to get one would be a symbol of the emergence of its scientific research as well as of its new relationship with the United States. The supercomputers are capable of highly advanced and highly complex work.

Export control laws impeded the transfer of technology as sophisticated as supercomputers to non-aligned nations such as India. There are also concerns that India could divert the computer from weather research to military applications, including the design of nuclear weapons.

Nonetheless, said administration sources, India's request has not been denied despite strong opposition from officials in the Defense Department who fear the technology could be disclosed to the Soviet Union.

"It is no longer an absolute 'no' on supercomputers," said an administration official.

"India will get it in time," another official declared. "The point is, this purchase would never have been considered before."

Mr. Gandhi is considered likely to press India's case for more sophisticated technology when he meets President Ronald Reagan at the United Nations in New York next week.

Another issue likely to come up is India's pending request to produce 600 small, entry-level computers over an eight-year period under a \$500-million technology transfer agreement with Control Data Corp.

That deal has been stalled because the United States wants India's assurance that it will not use the technology in its nuclear program. While the Gandhi government gave such assurances on equipment it is buying, it is reluctant to do so for computers that would be assembled in India.

A French company is offering a similar arrangement, and there is an Oct. 31 deadline for concluding the purchase from Control Data Corp. State Department sources were optimistic that the differences would be resolved before then.

The high-technology sales were approved for India under a memorandum of understanding signed in May when Commerce Secretary

Reagan Refuses to Grant an Apology To Egypt Over Plane Interception

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us and was brought to Damascus for an autopsy and identification. Mr. Speakes said that he could not confirm that the body was that of Mr. Klinghoffer.

The spokesman added that the United States also has "made known to all governments in the region our views on the situation and that we will continue to be keenly interested in the apprehension" of Mr. Abbas.

15 Dead in U.S. Copter Crash

United Press International

JACKSONVILLE, North Carolina — A U.S. Marine helicopter on a combat exercise crashed on take-off Tuesday from the USS Guadalcanal, an assault helicopter ship, and sank into the Atlantic. An official said that 15 of the 19 men aboard drowned.

Attorney General Edwin Meese 3d and other administration officials said Monday that the United States would continue efforts to apprehend Mr. Abbas.

"There is no safe haven as far as we're concerned," the attorney general said. "We'll pursue Mr. Abbas as we would any other fugitive."

Although Reagan administration officials have maintained that they have transcripts of radio conversations during the hijacking that implicate Mr. Abbas, one official said Monday that such documents would not be released. But administration officials have said the information has been provided to the Italians and the Yugoslavs as part of the U.S. case for his arrest and detention.

■ **Three Palestinians Accused**
The authorities said Tuesday

that they had issued arrest warrants for three more persons in the hijacking of the Achille Lauro, in addition to the four Palestinians in custody. Reuters reported from Rome.

Of the three, one has been detained in Genoa, where the ship's cruise began. The authorities would not say if the other two also were detained already.

In custody was a man identified as Kalaf Mohammed Zainab, who was detained on Sept. 28 for holding two false passports. Magistrates said he had been charged in the hijacking.

An official said that the other two were a man who bought the ship tickets for the hijackers and another who is believed to have been part of the commando but who disembarked at Alexandria, Egypt, before the vessel was seized. The four hijackers who were aboard the Egyptian plane have been moved from Sicily to a maximum-security prison at Spoleto.

■ **2 Seized With Explosives**

Two Arabs were arrested in Rome on Tuesday with bombs which one of them said were intended to be used against Americans and Israelis. Reuters reported, quoting the police.

One was arrested at the Rome airport and the other at the central train terminal. Both had bombs in their luggage.

Reagan's Rating With Blacks Is Up

New York Times Service

WASHINGTON — President Ronald Reagan's approval rating among blacks has increased significantly since he took office, although most still disapprove of the way he is handling his job, according to polls conducted by The New York Times and CBS News.

This year 28 percent of American blacks said they approved of Mr. Reagan's performance, up from 10 percent in 1982, during a recession and cuts in social programs. A large majority of blacks, 60 percent, still disapprove of Mr. Reagan's job performance, but this is down from a high of 76 percent disapproval in 1982.

Some analysts attribute the rise in Mr. Reagan's standing among blacks in general to a better economy, even though unemployment among blacks is about 15 percent, twice the national average.



SOCIALISTS CONFER — Leopold Gratz, Austria's foreign minister and a Socialist Party leader, and Willy Brandt of West Germany, president of Socialist International, began a two-day meeting of Socialist leaders Tuesday in Vienna. In his address, Mr. Brandt assailed conservative positions on rights violations in South Africa.

Planning Chief Named to Politburo

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speech, the general secretary made it clear that the party would drop many of the promises included in the 1961 edition, drafted under Nikita S. Khrushchev.

Khrushchev's party program vowed to "sweep imperialism away and bury it."

It listed a series of specific economic goals that would be reached in the following two decades, and said that communism would be achieved by 1980. A Communist society, it said, would far outstrip U.S. industry, provide free housing and free transportation and eliminate hard physical labor.

Under Leonid I. Brezhnev, the party recognized that Communism had not been achieved, but became mired in a debate over whether the Soviet Union was in a state of "real socialism" or "developed socialism."

"In enriching and developing the content of the program," Mr. Gorbachev said, "we have at the same time critically reassessed those of its formulations which have not stood the test of time."

He said the program "should be an exact formulation of the real process, explicitly spell out the main views and political objectives,

be free from excessive details, groundless fantasies and bookish subtleties."

The party also approved a series of amendments to the party's organizational rules, but they were not published Tuesday.

The elevation of Mr. Talyzin as a nonvoting Politburo member was an honor that had not been accorded his predecessor as head of Gosplan, Nikolai K. Baibakov.

It reflected Mr. Talyzin's stature in the Gorbachev administration and suggested a more influential role for the planning agency.

India Gets U.S. High Tech

(Continued from Page 1)

Robert C. McFarlane, and Defense Secretary Caspar W. Weinberger.

■ **Gandhi and Thatcher Confer**

Mr. Gandhi and Prime Minister Margaret Thatcher of Britain discussed ways of increasing cooperation against terrorists. The Associated Press quoted officials as saying Tuesday in London.

"They discussed the growth of organized terrorism and its implications for peace and democracy," said a spokesman for Mrs. Thatcher.

With his broad technical and bureaucratic experience, Mr. Talyzin is typical of the men who have won promotion under Mr. Gorbachev. A former communications minister, he gained diplomatic, economic and foreign policy experience as Soviet representative to the East-bloc economic alliance, Comecon.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister. He was a top member of Brezhnev's leadership.

er. "They agreed that experts should study arrangements to ensure that people convicted of crimes of violence in either country should not be able to avoid extradition by claiming that their offenses were political."

Mr. Gandhi, who is on his first official visit to Britain, has contended that the British government is not doing enough to curb the activities of Sikh extremists in Britain. Sikh terrorists were responsible for the assassination a year ago of Mr. Gandhi's mother when she was prime minister.

The two leaders discussed other international issues, including South Africa, during three hours of talks on Tuesday, Mrs. Thatcher's spokesman said.

At a banquet Monday night, Mr. Gandhi urged an end to what he called intolerable conditions of life under apartheid, the policy of white supremacy, in South Africa.

Britain does not support economic sanctions against South Africa and is likely to come under pressure over sanctions at the Commonwealth Conference, which opens in the Bahamas on Wednesday. Both Mr. Gandhi and Mrs. Thatcher are to attend.

NATO Asks U.S. to Offer A New Arms Initiative Embracing Soviet Ideas

By William Drozdiak

Washington Post Service

BRUSSELS — The North Atlantic allies urged the United States on Tuesday to come up with arms control initiatives that would include positive elements from the Soviet leadership's latest proposals. The allies want a new initiative to enhance prospects for a successful meeting next month between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev, and early progress in the Geneva negotiations on nuclear and space weapons.

Secretary of State George P. Shultz, consulting here with 10 of NATO's 16 foreign ministers, also picked up strong backing from the allies for a "narrow interpretation" of the 1972 Anti-Ballistic Missile Treaty in the way the United States pursues its research program on space weapons.

Mr. Shultz said the allies responded with "universal happiness" when he informed them that Mr. Reagan upheld a restrictive approach to compliance with the accord last week, even though some U.S. policy-makers had argued that a much broader range of testing and development is permissible under the treaty.

Earlier suggestions by Robert C. McFarlane, the national security adviser, that the administration might relax its adherence to the accord provisions evoked widespread anxiety among the European allies.

They feared that the treaty, which is seen as one of the last foundations of arms control, would soon be stripped of all meaning because of cumulative Soviet and U.S. violations.

Mr. Shultz, who flew here from San Francisco, where he delivered a speech Monday reaffirming the stricter line on the treaty, said, "We have designed our research program to fall within the narrow definition of ABM treaty provisions and we intend to keep it that way."

He said the State Department's legal adviser, Abraham D. Sofaer, who accompanied him to the NATO meeting, had studied the treaty carefully and found "lots of room for varying interpretations."

But any decision to develop and deploy space weapons in response to successful research findings, Mr. Shultz emphasized, would only follow "extensive consultations with the allies and negotiation with the Soviet Union."

Tuesday's meeting was convened at the request of Belgium and the Netherlands, who were annoyed at being left out of Mr. Reagan's meeting next week in New York with the leaders of six industrialized democracies.

The foreign ministers from Britain and France did not attend the meeting here Tuesday, but they will meet other foreign ministers in New York next week.

European diplomats said that while they were reassured by Mr. Shultz's comments, the administration's long-term policy still remained unclear.

They said the NATO meeting served a useful purpose in provid-

ing Mr. Shultz, who is perceived as sympathetic to allied interests, with "ammunition" to use against Pentagon hard-liners who doubt the worth of arms control.

Several European ministers stressed during the four-hour session that the United States should assume an active posture before the summit meeting by seeking new ground for compromise in arms control and not permit the Soviet Union to gain the upper hand in public opinion as the superpower most committed to presenting new ideas to break the stalemate in Geneva.

Mr. Shultz said he shared the allies' qualified optimism, although he and other senior administration officials have warned about the "fine print" lying beneath the basic Soviet offer to cut nuclear arsenals in half.

"There are things that are interesting and we will consider them," Mr. Shultz said. "Perhaps we can say that the negotiations are ready to get going."

Several ministers, led by Hans-Dietrich Genscher of West Germany and Leo Tindemans of Belgium, urged the United States to incorporate the most promising aspects of the new Soviet position in an offer that would infuse what the Belgians called "a new imaginative dynamic" in the Geneva talks.

The Europeans seem most encouraged by a new Soviet willingness to push ahead with a separate accord on medium range-missiles in Europe if progress in that forum can come faster than in the other two negotiating areas.

Previously, the Soviet Union has insisted that only an accord linking all three categories was possible. The United States and its allies argued that this view held the arms talks hostage to the most intractable problems. The latest Soviet offer now appears to embrace the Western position.

Geneva Vote Won By Anti-UN Party


The Associated Press

GENEVA — A nationalist party called Vigilance, which opposes Swiss membership in the United Nations and favors radical curbs on immigration, has emerged as the chief winner in the three-day Geneva cantonal elections ending Sunday.

In final results announced Monday, Vigilance increased its seats in the 100-member cantonal parliament from 7 to 19, and now ranks with the Liberals as one of the two largest parliamentary parties. Geneva is the seat of a United Nations office and several UN agencies.

Vigilance and its allies in German-speaking Switzerland, National Action, say that UN membership would compromise the country's neutral status. Switzerland is a member of the nonpolitical specialized UN agencies, and next year a national referendum will be held to decide whether it should become a full UN member.

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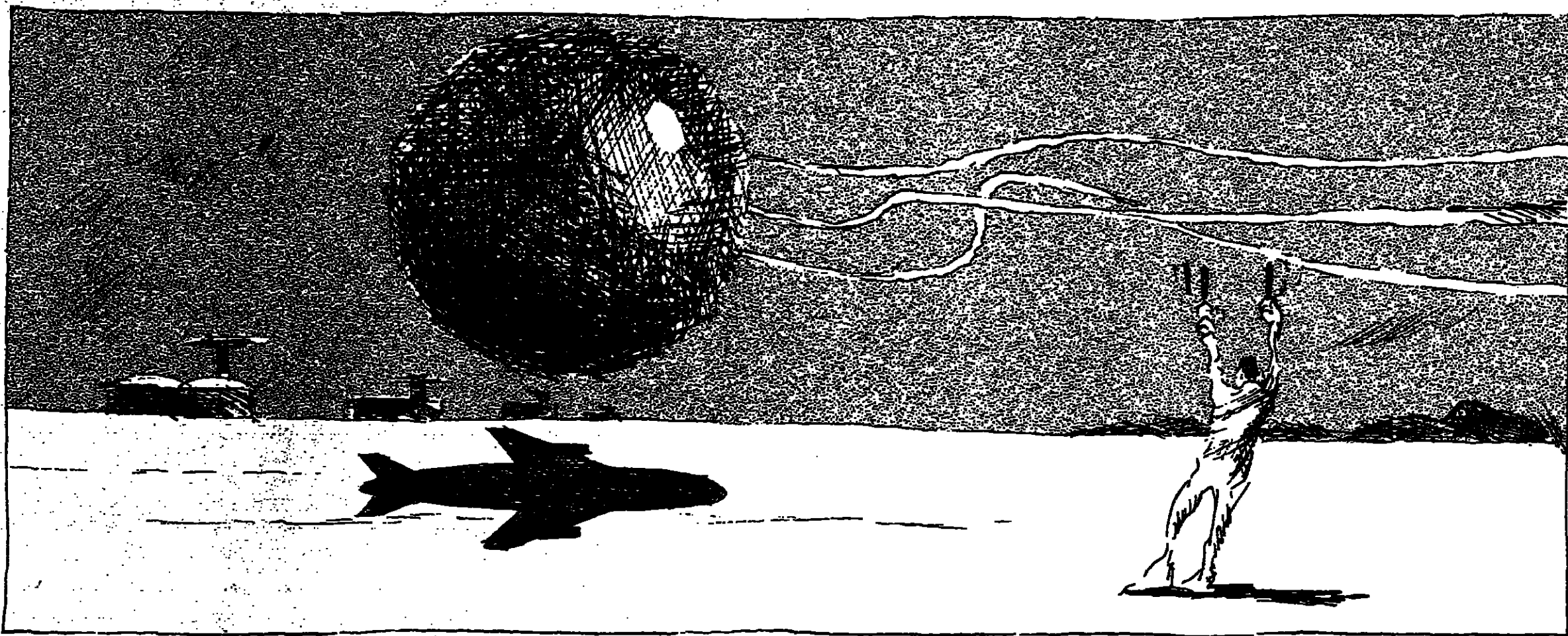
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Herald Tribune

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Three Let America Down

Scarcely had the celebration of American daring and intelligence and military prowess begun when it was overtaken by a wave of bitterness over the various ways in which friends of the United States let it down in the Middle East. American relations with these countries are too important to be permanently damaged, but the bruising is there and almost certainly, in respect to terrorism, the result will undermine a tendency toward unilateral American action in an enterprise in which international cooperation ought to be the rule.

President Hosni Mubarak of Egypt pronounced himself "wounded" by the American interception, and the most answer to a public already broadly skeptical of Egypt's American tie. No one wishes to complicate life for Cairo's struggling moderate leadership. Yet few can accept its confidence that the PLO, which increasingly seems the political if not also the operational sponsor of the four terrorists, could be entrusted with prosecuting them. Surely President Mubarak could see why President Reagan had to act as he did.

From the Italians, who fight terror on home ground bravely, it was not unreasonable to expect partnership here with their democratic NATO ally. But Rome deferred to its investment in a cultivation of the PLO — a second-level line of foreign policy questioned even

within the governing coalition. The Reagan administration had all too good reason to express — at the ungodly hour of 1:30 A.M. on Sunday — its dismay at Italy's refusal at least to inspect the American evidence for holding the accused mastermind, Mohammed Abbas. The United States has a strategic interest in Yugoslavia, which has even more of a strategic interest in the United States. But Yugoslavia had a special additional reason — its own difficult terrorist problem, arising from elements that the Communists defeated in taking power — for cooperating in this instance. In fact, very few countries have a greater need for international cooperation in combating terrorism. This is the consideration that Belgrade set aside when it expedited Mr. Abbas's flight.

All three of these countries argue that the requirement to engage the PLO in a search for a political solution remains crucial. At the same time, Israel has seized on the incident to try to pull the United States toward the view of the current split Israeli government that the PLO is unfit as a partner for peace. Those who still see the PLO as an interlocutor, however, take on an extra obligation. With their interest and access, they should be the first to act against any suggestion of PLO terrorism. Instead, here, they have been the last.

— THE WASHINGTON POST.

Meanwhile, Another Death

Leon Klinghoffer's death at the hand of terrorists precipitated a chain of events of international consequence. Mr. Klinghoffer, however, was but one of two Americans with some sort of Middle East connection who were killed savagely in recent days. The other was Alex Odeh, 41, of Santa Ana, California, an American citizen born in a village on the Palestinian West Bank where his father still lives. Mr. Odeh was West Coast director of the American-Arab Anti-Discrimination Committee. He was killed when a bomb exploded as he opened his office door last Friday.

Mr. Odeh was not an incidental figure picked out for brutal murder simply because he was an American, as was Mr. Klinghoffer. He was evidently an intended victim, killed by a person or persons who wanted him dead. It is conceivable that he was assassinated for engaging in his right of free speech. This is suggested by those who point out that the day

before, in a television interview, he had spoken sympathetically of PLO Chairman Yasser Arafat. (Friends say that he condemned terrorism and the ship hijacking but that those parts of the interview were not broadcast.)

There is no reported suspect in the case so far. It is important to remember that. But, predictably, there have been suspicions and allegations, one of which was denied in the most graceful possible way by a spokesman for the Jewish Defense League. In denying that the JDL had committed this crime, the spokesman said, "I have no tears for Mr. Odeh. He got exactly what he deserves."

Suppositions and rumors, of course, are no substitute for facts. There is a very powerful public interest in the most vigorous police inquiry into this shocking murder. The full resources of the law must be brought to bear to locate and prosecute the killer of Alex Odeh.

— THE WASHINGTON POST.

For 20th Century Justice

From his Supreme Court perch, Justice William Brennan has flung an answer at conservative critics of the court. Attorney General Edwin Meese complains of rulings that he says spring from the justices' preferences, not constitutional principle. To which the justice replies: Stop posing as the sole champion of principle and admit that your arguments veil a program hostile to civil rights and liberties.

It is unsettling when judges hurl thunderbolts — and themselves — into political thickets. The justices, like umpires, have the hard task of staying aloof, even when provoked, and the recent forays of several justices are lamentable. But Justice Brennan is normally scrupulous, and his speech at Georgetown University on Saturday was an impressive survey of constitutional thinking. The provocation and the rare response deserve attention.

Mr. Meese set things off with scholarly-sounding pronouncements about the need for "a jurisprudence of original intention." By this he seems to mean that judges should decide constitutional questions the way he thinks the founding fathers would have decided them. The trouble with such incantations is that they mean nothing when it comes to solving problems unforeseen two centuries ago.

Is a wiretap a "search," for which police need a warrant? The learned framers did not say. After struggling for years, the court correctly ruled that police eavesdropping on the phone was indeed a "search," within the broad meaning of the Fourth Amendment. That is not some loaded, liberal interpretation intended to foil protectors of public order. It is an interpretation because it has to be. Justice Brennan has it right: "We current justices read the Constitution in the only way that we can: as 20th-century Americans."

Their license to do so comes from the structure of the Constitution and the language that gives it life — about freedom of speech and religion, security from unreasonable searches and seizures, and the broad power of Congress to regulate commerce. Justice Brennan pulls the veil away from Mr. Meese when he says it is arrogance, not deference, "to pretend that from our vantage we can gauge accurately the intent of the framers on application of principle to specific, contemporary questions."

Did the framers intend that they be taken literally in a future they could not imagine? No, no more than we can insist on literalism for the year 2185. What the Constitution did intend, and what all Americans can embrace, is that America be governed by its precepts.

— THE NEW YORK TIMES.

Other Opinion

Negotiation Is Still the Goal

The cancellation of [Monday's] controversial meeting between Sir Geoffrey Howe, the British foreign secretary, and two members of the Palestine Liberation Organization's executive committee has come as only half a surprise. In the present climate of hostility in the Middle East, talks on a peace settlement would have appeared badly timed. For Mrs. Thatcher and her foreign secretary, who had shown considerable courage in inviting the Palestinian delegates to London in the face of strong criticism from the United States, Israel and the British Jewish community, the break-

down of the meeting must come as both a disappointment and a relief.

In the end, however, all sides in the Middle East conflict will be forced to accept what is already obvious to most people in the world: that no political advantage is to be gained by a continuation of terrorism. The events of the last week have certainly brought home to the Western democracies the need to step up international action against terrorism. But they have also underlined the urgency for the United States, and possibly the Soviet Union, to play an imaginative and dynamic role in pushing the combatants to a negotiating table.

— The Financial Times (London).

FROM OUR OCT. 16 PAGES, 75 AND 50 YEARS AGO

1910: Europe Shoes Mexican Horses
NEW YORK — The Bureau of Manufactures is receiving from various parts of the world reports concerning the system in use in various localities for shoeing horses. The reports published last month included information from a number of Mexican towns. The object is to show where Americans can send materials, or tools, or coal; so the reports touch upon anvils, vises, hammers, tongs, chisels and forges and bellows. It is curious to see that in Acapulco, Mexico, Swedish nails are used. In Frontera, iron employed for shoeing is imported principally from England and Germany. In some places, as for instance San Luis Potosi, the anvils are of English manufacture, and Norwegian nails and German tools are reported to be used here. In Vera Cruz, German, Swedish and Belgian nails are in some use.

1935: Six Americans Freed in Mexico
NOGALES, Arizona — Five American bankers and a New York publisher, on a hunting expedition in the Mexican province of Sonora, were temporarily kidnapped by Agrarian rebels, who have captured Santa Ana and Matamoros, and are now reported to be marching on Nogales, Mexico. The Americans are now in Nogales, Arizona, preparing to return home. The Americans encountered a rebel force, headed by General Ruiz Ybarra, who confiscated their guns. "The general entertained us by parading his three hundred men," said Arthur D. Norcross, publisher. "We were not held for ransom, for our captors were not bandits, but Mexicans of the upper classes fighting for a religious cause." The revolt in Sonora is directed against the religious and Agrarian policy of the Mexican government.

Bad Business for Almost All Concerned

PARIS — No one seems to be asking Mexico or the other black holes of debt in the developing world just what they did with the money they borrowed in the first place.

The regimes which today exploit the international banking community to stay with them to lend more so they can "invest to grow, to repay," are the same regimes that borrowed and squandered a wealth of good capital which quickly turned to mountains of debt.

Although I was one of those bankers scrambling madly during the 1970s to lend to the promising economies of the developing world, I agree wholeheartedly with the critics of the banks. We rushed blindly along chasing a rainbow we thought would lead to easy profits.

For our eagerness and ignorance we are now trapped in the powerful field of a giant black hole. Our wayward financial vehicles are like fragile spaceships on a suicide course. We risk being obliterated by our debtors as the high-level government officials who met in Seoul last week keep us on course toward this cosmic hazard.

The debtors' attitude, especially that of the Mexicans, is that they shoulder their huge debt burden unfairly, as if it were not they who had with alacrity sought and consented to it.

While for now they stop just short of refusing to repay, these governments are bent on exacting new "loans" that will most likely increase the hazard. In order to rectify earlier mistakes, we bankers are called to make new ones. It is astonishing that reasonable people in the official circles of Washington and the other political and financial capitals can imagine that this will work.

Bad lending decisions cannot be made better by following the same course all over again, even

The writer, who requested that his name be withheld, is a banker who has had a hand, by his own account, in more than \$50 billion in developing-country debt.

in the company of the World Bank or the IMF. Our painful experience has demonstrated that private banks are incapable of making reliable judgments about the risks involved in financing economic development. Nor do we have even the slightest chance of influencing how or to what use the proceeds of the loans we make are put.

A private bank does have such analytical tools and ability to control the use of loan proceeds when dealing with private enterprise or public enterprise run according to the principles of the market economy. We can even impose our views on how such enterprises should be run while they repay our credit. When lending to sovereign governments we have no such leverage. Without these basic tools and leverage, we have no business trying to finance economic development.

Compounding the banks' lack of control is the tendency toward corruption in many "new nations." For those who were not already familiar with it in Mexico, last month's earthquakes opened gaping fissures in the mantle of government propriety there. A political system built on patronage, kickbacks and bribes was tragically exposed by the agony of thousands of simple people who suffered and died under modern buildings whose promoters had managed to cut

corners on construction costs by bribing local officials who shared the spoils with superiors.

The great surge in national wealth brought about by Mexico's important oil discoveries and production increases in the latter 1970s should have brought substantial progress in economic development. Instead, hundreds of millions, perhaps billions of dollars, much of it borrowings on anticipated future oil earnings, slipped into the hands of corrupt officials and their private-sector cronies, who for the most part secretly shipped it out of the country to avoid taxes and discovery by their lower-class compatriots. The sterilization of this promising wealth by government leaders and party officials and the interest obligations accumulating on the loans taken out in anticipation of future oil income have left Mexico in worse shape than before the oil boom.

The same scenario in less dramatic terms took place in Venezuela. The Brazilian, Argentinian and Chilean circumstances were similar, characterized by ill-conceived or dishonest uses of uncontrolled international borrowing on a massive scale, although without the tantalizing influence of a get-rich-quick oil boom.

The disastrous record of private financing for economic development shows that this is no place for banks. Only multilateral public financial institutions can hope to impose the controls on use of funds and management of economies necessary to ensure that good loans are made on conditions that maximize the chances of repayment and hence of productive use for the borrowers. We should be able to expect more from our own leaders in vision and statesmanship than they have shown so far on such a crucial issue.

International Herald Tribune.



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There Is No Need to Shut Out Mexican Workers

By Frank Del Olmo

LOS ANGELES — The ground I had barely stopped shaking in Mexico when the debate began over the earthquake's effect on the political and financial future.

Pessimists warned of the beginning of the end for Mexico's top-heavy government, just as the 1972 Nicaraguan earthquake began the political upheavals that led to the overthrow of the Somoza dictatorship seven years later. That is a possibility, especially if the endemic corruption of the Mexican system frustrates efforts to help the quake victims, as happened in Nicaragua.

But something good may come from this disaster if the United States government, looking at the multibillion-dollar estimates of what it will cost Mexico to restore many thousands of jobs and homes, backs away from its pursuit of a restrictionist immigration policy.

In a painful coincidence on the day before the first quake hit, the U.S. Senate passed the latest immigration bill of Alan K. Simpson, a Wyoming Republican. That bill could have severe long-term consequences for Mexico. Its main provision — penalties for employers who hire illegal aliens — could dry up

the jobs that are held by migrants and eliminate a vital source of Mexico's income. A similar bill, from Peter W. Rodino, a New Jersey Democrat, is pending in the House.

Provisions in the Simpson bill would allow Mexicans and other foreigners to enter the United States to work, but only temporarily, and only in agriculture. A proposed amendment would limit the "guest worker" allowance to 350,000 to harvest perishable crops.

Senator Simpson and other restrictionists want to get the amendment out of the immigration bill. So do many Latinos and labor leaders. But they all might take a more relaxed view of guest-worker proposals if they would focus on recent studies suggesting that illegal immigration is not as big a problem as many Americans think.

Last year the Census Bureau concluded that estimates by the Immigration and Naturalization Service of 10 to 12 million illegal immigrants in the country — the infamous "silent invasion" — were wildly overblown. The census agency's research put the number at

about 2 million. Another recent study, by the National Academy of Sciences, concluded that a "reasonable" estimate was between 1.5 million and 3.5 million.

Then there is the recent study by the Urban Institute, which looked at the impact of Mexican workers on Southern California. It concluded that they are beneficial to the region. They help keep marginal industries viable and inflationary pressures down. And they have no appreciable effect on unemployment, even among minorities.

If political leaders would only accept these calm assessments of the immigration issue, they could stop looking at the movement of people between the United States and Mexico as a problem. Then they could abandon the search for quickfix "solutions" — whether unwieldy bills like Senator Simpson's or immigration raids that terrorize Latino communities to no useful end.

The migration of Mexican workers is a historic phenomenon that will go on so long as the native-born U.S. population declines while U.S. fields and factories need labor and

Los Angeles Times.

Another Liberal Republican Gives Up the Struggle

By Richard Reeves

NEW YORK — Liberal Republicans. Remember? Fiscally conservative, socially liberal, internationalists. There was a time when they seemed about to take over America. Nelson Rockefeller, Charles Percy, Mark Hatfield, Charles Mathias, Jacob Javits, Clifford Case, John Chafee, Dan Evans, John Lindsay, Margaret Heckler.

They produced many of the better people in American politics 20 years ago, 15 years ago, 10 years ago. Then they began to fade away, changing their convictions a bit or ending up in limbo somewhere between other Republicans marching to the right and Democrats scattering to the left. If there is any symbol of the final decline of liberal or "moderate" or "progressive" Republicanism, it is the announcement that Charles McC. Mathias Jr. of Maryland will not run for re-election to the U.S. Senate.

He was one of them in every way. Old family, Episcopal, Harvard College, naval officer. A fighter for both civil rights and balanced budgets. A bit of a dreamer. Uninterested in the politics of his party and, frankly, in many of the members. Popular with voters — he won 66 percent of the vote in his last run in 1980.

It is impossible to tell whether he was pushed or he fell. Certainly many Republicans hated him. He was denounced as a "liberal swine" by one of the conservatives running the 1984 Maryland Republican convention. Senator Strom Thurmond of South Carolina changed committee assignments and rules for years to prevent Mr. Mathias from becoming either the ranking minority member or chairman of the Senate Judiciary Committee. (Ironically, at the end,

Mr. Thurmond and other Republican leaders talked of changing seats and rules to keep Mr. Mathias from quitting, because a Democrat might win his seat next year and give the Democrats control of the Senate.)

Mr. Mathias once told me he knew he represented a wing of the party that no longer existed. He speculated that there was a "lost generation" of liberal Republicans, because the young people who would have become candidates and leaders of his wing of the party in the 1980s and '90s never joined in the 1960s and '70s. "They were nonstarters, turned off by Vietnam and Watergate," he said. "Maybe they became Democrats. Probably they just turned away from politics altogether."

That was certainly part of it. What happened, not only did the Republican Party become more uniformly conservative, but many of its members veered right with a vengeance. Terry Dolan, director of the National Conservative Political Action Committee, urged at last year's Republican National Convention in Dallas that Mr. Mathias "do the party a favor and get out." Now he has.

There are many ironies in his exit at the age of 64. The first, of course, is the possibility that it will cost the Republicans control of the Senate. Another is that the party now has to invent new "liberals." Many of its right-wingers are essentially negative souls who need to hate somebody and are now venting their spleen on new "moderates" like Senate Majority Leader Robert Dole.

When Roman Huska, the former senator from Nebraska and a conser-

vative crustier than Mr. Dole ever could be, visited the Senate not so long ago, Mr. Mathias told the old warrior of the right: "Roman, if you will sit here these folks would consider you a dangerous liberal."

The ultimate irony is that, although liberal Republicans could not survive in a conservative party, their politics was always pretty close to the consensus politics of modern America. Their philosophic conservatism and their day-to-day liberalism were curiously close to the center than either George McGovern's leftism or Ronald Reagan's rightism. But in

two-party politics you cannot put your case to all your countrymen without first getting the nomination of the members of your party. And there were no Republican national nominations to be had for anyone to the left of Richard Nixon.

Then who are the inheritors of the legacy, large or small, left by liberal Republicans? Democratic neo-liberals. The new Democrats who practice yuppie politics and talk liberal governance and fiscal conservatism are the heirs of Nelson Rockefeller and his heirs. And that inheritance could help them a great deal, beginning in 1986.

Universal Press Syndicate.

LETTERS TO THE EDITOR

Everybody's UN Business

Charles Krauthammer's contribution to the 40th anniversary of the United Nations is a mixture of misconceptions and misinformation. ("United Nations: 40 Years Are Enough for a Verdict," Sept. 28). As I understand the intentions of the founders, reflected in the UN Charter, all the allied powers decided together to establish a world body which would prevent war and enhance international cooperation for the benefit of humanity as a whole. So nobody can claim the copyright.

It is common knowledge that the United Nations is not an abstract institution but a reflection of relations between states and of the complexities of the present world. A critical approach to the way the United Nations functions is desirable, but with a view to making it more effec-

tive and workable. Only multilateralism can help build a better world. Ultimate responsibility for the future of the United Nations is held by the member states. They deserve criticism, but not ridiculous charges of destructive propaganda, anti-Western diplomacy and anti-Semitism.

MAUREN HACHMAIER, Secretary-General, World Federation of United Nations Associations, Geneva.

AIDS Against NATO?

In 1983 I wrote that, on the evidence then available, AIDS must be caused by a single slow virus, transmitted in blood, with a latent incubation period of up to eight years, and that it would become epidemic in any country unless there was strict control of use of blood products in medicine, use of hypodermic needles and

A Mayor's Lesson in Humanity

By Flora Lewis

FRANKFURT — While everybody else was absorbed with the backlash of terrorism in the never-ending Arab-Israeli conflict, a poignant ceremony took place here Sunday morning. Teddy Kollek, the mayor of Jerusalem, was awarded the prestigious annual Peace Prize of the Association of German Publishers, Manfred Rommel, the mayor of Stuttgart and son of Erwin Rommel, the World War II German commander or famous as the "Desert Fox," delivered the speech of tribute in the historic but austere Paulskirche.

The profound symbolism of the event was clear to all. Teddy, as everyone called him, scarcely looked his usually ruffled, calm, impetuous self. He wore a dark suit with a vest and dark tie, his hair neatly brushed, his face solemnly composed. But he was himself. Candid as ever, he told the audience he had wondered, "after all that has happened in Germany," whether "a Jew and an Israeli can accept this prize." But he decided that reconciliation and the idea of peace must take precedence over the past. For his wife, Tamar, and his daughter, Osmat, it was the first visit to Germany. Born in Vienna in 1911, Teddy was a youthful Zionist who went early to Palestine.

He had chosen Mr. Rommel to present him, he said, because he recalled the battle of El Alamein and the "great danger that the German Army under Field Marshal Rommel posed in our part of the world. The fate of the Jewish people of Palestine seemed mortally threatened. Who could have imagined then that the field marshal's son and I would meet in the peaceful profession of being mayors? Isn't that a symbol of peace, which is our theme here?"

He spoke of terror, "perhaps the greatest enemy of our culture, possibly a greater threat than the atom bomb." He denounced Jewish terror, too, quoting the formidable Golda Meir, who said in 1969, "When peace comes, maybe with time we will forgive the Arabs for killing our sons, but it will be much harder to forgive them for forcing us to kill their sons."

He said that "Jews and Arabs must live together in peace, there is no alternative to peace." He spoke of tolerance: "In the face of the fanaticism and intolerance which are the mark of our times, there is a need for deep belief in a humanistic Jewishness... treating all men with the same respect and in the same manner. That isn't always recognized, especially among groups who only think of themselves and overlook the interests of others." According to Jewish belief, humanity is indivisible.

And, of course, he spoke about Jerusalem, a city in the eye of the storm of violence and hatred involving Israel, but nonetheless a city whose daily life is remarkably peaceful. That is no accident. It has taken constant thought and effort, constant struggle by its mayor against prejudice and fierce resentment. Teddy presided over reunification in 1967 after two years as mayor in the Jewish part of a divided Jerusalem, and has been re-elected four times.

Mr. Rommel made clear that this was the reason why Teddy was chosen for the award. Even if Jerusalem's surprising security has not brought a large Middle East peace, it points the way and shows the possibility.

Israel's determination never to allow the city to be divided again, nor to renounce its sovereignty as the capital, has been called the ultimate, most difficult obstacle to peace in the region. But Teddy said that this, too, could be overcome, perhaps by a concordat with Moslem and Christian authorities for guardianship of holy places, similar to the Italian state's concordat with the Vatican in Rome.

Teddy explained in some detail how he had tried to keep the people of Jerusalem living side by side in peace in the meantime. It is a policy of small steps and great principles — equal dignity, equal humanity, equal respect despite differences.

The small steps have to do with schools, a sewage system, clean running water, recreational facilities and the like for all. Teddy said he was convinced that a major element in Jerusalem's calm was the decision to let Moslems organize their lives in their own way and especially to leave them authority over Temple Mount, site of the great Al-Aqsa Mosque, despite widespread Jewish pressure from some Jewish circles.

He turned over the \$10,000 prize to a fund for encouraging contacts between Jewish and Arab youths. Teddy may not have the answers to war and terror, but he knows where and how to look for them. It is all the more meaningful when this is recognized through the most distinguished prize that a now peaceful West Germany has bestowed. It shows that anguish can end and hope can be fulfilled, while humanism survives.

The New York Times.

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INSIGHTS

Sandinists Juggle Economic Priorities To Overcome U.S. Political Pressure

By Joanne Omang
Washington Post Service

MANAGUA — Among the many annoying, tiresome shortages here, last spring's scarcity of light bulbs was far and away the most demoralizing. Since the Sandinists took power in 1979, most of Nicaragua's working poor always had had at least one naked bulb to prove their dirt-floor cardboard shacks were a step above the abject poverty of their grandparents.

But now when that one bulb blew there were no replacements, and they were left to brood in the dark over all their other problems, in a darkened city already deprived of street lights by a government economy move.

Just as the unorganized resentment over everything else wrong here seemed about to tell for once on the light-bulb issue, a cargo ship arrived from the Soviet Union loaded with nothing but light bulbs. They were smaller and dimmer than the regular bulbs, but they worked fine and everybody relaxed.

The Sandinists had managed once again to loosen the economic and political noose with which the Reagan administration hopes to strangle the revolution.

U.S. policy here is based on the theory that military pressure from the U.S.-backed "contra" guerrillas will unseat the government, either with an ordinary military victory or by creating so much economic and social disruption that the Sandinists will be forced by their own people "to cry uncle," as President Ronald Reagan put it.

The Sandinists now let visitors know they are prepared to run the Nicaraguan economy into the ground to defy Mr. Reagan's threat. Last this seem to be mere rhetoric, they also are willing to demonstrate that they are minutely aware of the precise level of popular resentment, and that they have evolved a Rubik's Cube defense system of controls, force, blind eyes, bluff and jingoism to deal with it.

This approach, they say, will keep their war machine operating, their people eating and their public services more or less in operation until the Yankees either give up and go away, negotiate terms recognizing the Sandinist revolution, or launch a full-scale invasion. There is no alternative, they say.

"Our people understand very well that Ronald Reagan's policy is to strangle us economically until they rise up," said Defense Minister Humberto Ortega Saavedra. "But this has only strengthened their will to resist the United States. Suppose we do have to paralyze the country, stop the schools, live under siege conditions. Even then we will not surrender."

Economic recovery, he said, is last on the Sandinist priority list, after an end to the fighting and a solution to the political turmoil that the war has stirred up.

The government's severest internal critics believe it, even as they deplore the results. "The Sandinists will never make any deal with the

United States," said Dr. Emilio Alvarez Montalvan, an ophthalmologist and a leader of the largest of three splinters of the Conservative Party. "And the contras cannot possibly overthrow them. We hope that they will slowly moderate themselves until they reach a point of tolerance by the United States, but we are not optimistic."

Virgilio Godoy, the acerbic head of the Liberal Independent Party, the permanent minority in the rubber-stamp Legislative Assembly, describes Nicaragua's internal situation as "a world of two levels: the visible and formal, where the rules are very clear and admirable; and the invisible world, which here is the real world and where the rules do not operate."

The economy, he said, is a prime example. In theory, the government determines wage levels and controls prices, distribution and imports; although there are shortages everyone suffers equally. In practice, companies pay secret "bonuses," which are illegal, in a losing effort to retain good workers; prices are more than doubling every year despite the controls. Many services are exchanged on a barter basis; product distribution is handled chiefly by the black market, and imports are brought in almost completely by individuals smuggling on a small scale while officials turn their backs.

"We call it a semi-official black market," said a diplomatic analyst, "because they make almost no effort to enforce the rules."

In fact, the Sandinists bend their own rules so that they, too, can play. There are at least three legal exchange rates for dollars, depending on where one is and what one is buying. Anyone with dollars may shop at the local "diplomatic store" for French wines, North American groceries and appliances at prices reasonable by U.S. standards but astronomical in local terms.

For example, foreigners are required to exchange \$60 on arrival at the Managua airport at a rate of 28 cordobas to \$1. The 1,500-cordoba taxi ride to town therefore costs about \$54. But at the hotel, \$1 will bring 630 cordobas, perfectly legal, so that the 1,500-cordoba ride back to the airport costs only \$2.38. On the black market, the exchange rate is about 800 to a dollar.

The Sandinists know that the black market and the barter system are safety valves, supplying needs the government cannot meet. With exports at rock bottom because of the war (the Sandinist view) or because of structural mismanagement (their critics' view), the black market is just about the only source of foreign exchange with which to buy imports — and every machine, bolt, spare part, battery, drop of fuel and piece of paper in Nicaragua is imported.

The leaders acknowledge that this surreal process has made de facto criminals out of their entire population, but they view it characteristically as temporary, part of the disruption that precedes the revolutionary dawn. "This is not just a problem in Nicaragua but in all of Latin America," President Daniel Ortega Saavedra said. He attributed the phenomenon to crisis

worldwide, "the fault of the capitalist economic system."

While the world crisis works itself through, however, economic news reports in the controlled media are carefully optimistic, and anything else is censored from the sole opposition newspaper, La Prensa. Word of new price controls on melons, a strike attempt at a furniture factory, the chronic gasoline shortage and a virus attack on the crucial cotton crop were all cut from recent editions. The Sandinists say that such stories would spark panic buying, and the controlled press minimizes the impact of the virus and praises the quality of the melons.

In the real world, however, anyone can drop by La Prensa's office and read the censored stories on the bulletin board, for that is another safety valve. It lends some validity to the Sandinists' assertion that dissent is not stifled.

In fact, dissent is carefully noted. The pervasive Sandinist Defense Committees, the party organization headquarters on every city block and every rural neighborhood have always kept track of everyone's jobs, health status and private lives, allocating privileges and goodies while monitoring the decibel level of public grumbling and spotting potential resistance leaders. Resentment over economic conditions and the petty tyrannies of committee leaders, however, has risen recently to the point where the committees are now being reorganized "to be more responsive to the community," said Interior Minister Tomas Borge Martinez.

He acknowledged that the committees had become "small centers of personal power" run in large part by former backers of the deposed dictator Anastasio Somoza who rushed to join the new organizations after the revolution "as a logical refuge to avoid punishment and repudiation" by the new leaders. The reorganization, he said, will consist mainly of "eliminating these bad people" from their jobs. The predictable result will be a rise in the committees' efficiency from the Sandinist point of view.

It is a tacit recognition that tensions are mounting, but it is by no means the democratization that the Reagan administration had predicted would follow rising public discontent. As Mr. Godoy put it: "People are permitted to complain, but they can't go any further than that. People worry that if they do anything, the army will take their son, or their business will be closed or some import will be confiscated."

"Whenever a small, organized resistance arises, something happens. We cannot get people out of their houses to a rally because we cannot give them a guarantee that nothing will happen afterward."

By all these mechanisms, the Sandinists so far have avoided making any of the changes the Reagan administration predicted they would have to make as a result of rising pressure from the contras. In fact, U.S. administration officials have noted in relation to other countries that Marxist governments are remarkably unresponsive to domestic complaint, so their argument that the Sandinists can be forced to change their stripes has been curious from the outset.



A homeless man sleeping in a Paris Metro station. More than 40,000 people seek shelter in the French capital each night.

Mounting Tide of Homelessness in Europe Dismays Those Who Hoped to Abolish It

By Jo Thomas
New York Times Service

LONDON — Margaret lives with her husband and six children in a London bed-and-breakfast hotel, not the quaint sort with chintz in the sitting room, but damp and bug-infested, with the dining room a block away.

The family was moved out of its apartment in an East London housing project last year because the building was contaminated with asbestos and was to be demolished. Margaret and her husband, who asked that their last name not be used for fear of being evicted, were told to expect to live in temporary quarters for a few weeks.

"You wait, and wait, and wait," said Margaret, who now has been homeless for 10 months. "If you only knew how long you'd be here, you wouldn't mind." The family of eight is in two hotel rooms that do not connect.

In Britain, private groups that work with the homeless estimate that there are 140,000 people like Margaret, living in hostels and hotels. In Paris, private groups say at least 10,000 people are living on the streets. In Italy, the government says that one young couple in five have no alternative but to live with relatives; even after the birth of their first child.

They and thousands of others are part of a trend that is alarming governments across Europe, a rising tide of homelessness in nations that over the past two generations, according to Peter D. Sutherland, commissioner of social affairs for the European Communities Commission, "had begun to believe that we were in sight of abolishing for good the scourges of poverty and homelessness."

Mr. Sutherland met recently in Cork, Ireland, with delegates from the European Community countries in an effort to determine how serious the problem is and what can be done about it.

ALTHOUGH statistics are incomplete, representatives from groups that help the homeless throughout Europe reported a dramatic increase in the number of evictions, a growing percentage of homeless who have been thrown out of their homes, and a trend toward seeing younger and younger people living on the streets.

The United Nations, which has reported that 100 million people worldwide have no shelter whatsoever, already has raised the alarm over the difficulties in the Third World, where cities are growing at an explosive rate but slums are growing twice as fast. A city such as São Paulo, which had a population of 2.5 million in 1950, can expect a population of 25.8 million in the year 2000.

But in the relatively wealthy nations of Europe, "the homeless are the segment that has no statistics," said Thomas Spöck, who works with a German organization for the homeless. "Everything else is counted — every cow and chicken and piece of butter."

The conference, which voted to recommend a

European clearinghouse for information, nonetheless collected some statistics that have concerned both government and private social welfare organizations.

In Britain, the number of homeowners more than six months behind on mortgage payments increased to 40,000 in 1984 from 8,000 in 1979.

In the first quarter of this year, said Nick Rayford of a housing aid center in London, 10 percent of the homeless had defaulted on their home mortgages, more than twice as many as a few years ago, and so were evicted.

In Italy, according to government officials at

'Homelessness is a blot on the European landscape. It is a disgrace to what we exalt as European civilization. It is an indictment of government, administration and people who do not care.'

Brendan Ryan
Irish senator

the conference, census figures showed that evictions from rental units increased by 28 percent from 1983 to 1984.

IN France, where five million to six million people live on incomes of less than \$6 a day, unsupplemented by welfare benefits, the number of vagrants seeking lodgings for the night in Paris rose to 40,493 in 1982 from 20,000 in 1971.

In Denmark, where 20,000 people are estimated to be homeless, the number who are less than 30 years old has increased dramatically since 1980. In Paris, according to Patrick Decker, who has studied the situation there, the average age of homeless people has been dropping by six months a year. For men, he said, it is now 42.

"No European country has as great a problem of homelessness as the United States does," said Robert M. Hayes, a New York lawyer who founded the Coalition for the Homeless. "But none of these governments are willing to preside silently over the mass homelessness we now have in American cities."

Mr. Hayes, who attended the conference as an observer, added, "It's clear there's a much firmer commitment" by West European governments "to stop the tide of newly homeless people."

The number of homeless people in the United States is in dispute, Mr. Hayes said, with esti-

mates ranging from 500,000 to three million. The Department of Housing and Urban Development recently said the figure was no more than 350,000. An advocacy group for the homeless in New York City said Saturday that 9,000 single adults would seek shelter from the city next winter.

The Reverend Peter McVerry, a Jesuit priest who works with the Center for Faith and Justice in Ireland, said that most of the homeless are unemployed or unskilled, or may have lost their homes in family disputes, but are otherwise ordinary people, not alcoholics or mentally ill.

"It is not they who have the problem," Father McVerry said. "The problem lies in the housing market, deficiencies in general housing policies, in social security policies, and the social injustice which creates poverty."

THOSE who are worst off, he said, "tend to create the stereotyped image of the homeless in the public's mind." But the public must realize that "their plight is not solely traceable to individual failings or inadequacy" but also to the "inability of the support systems in society to deal adequately with their problems at an early stage."

In Ireland, 3,000 people are homeless and 20,000 others live in trailers or horse-drawn vans.

The delegates recommended the abolition of vagrancy laws and said the lack of an address should not deprive a person of legal rights, including the right to vote.

They asserted that people have an unequivocal right to shelter, with no time limits if they cannot find permanent accommodations, and they urged that shelters for the homeless be small in size, not vast human warehouses.

"Homelessness is a blot on the European landscape," Brendan Ryan, a member of the Irish Senate and sponsor of legislation to protect the homeless in Ireland, said at the meeting. "It is a disgrace to what we exalt as European civilization. It is an indictment of government, administration and people who do not care."

In London on Saturday, Margaret stood on the sidewalk and watched the parked cars while she waited her turn at a basement kitchen with one stove shared by seven families. There is no refrigerator for the children's milk, no place to wash clothes, and no place in the local school for her 8-year-old, who has been out of school since the family moved 10 months ago. The family's rooms, full of beds, are immaculately clean, but the walls are damp, the paper and the plaster peeling.

"Christmas is coming," Margaret said. "My brother, who is a painter, offered to paint and wallpaper the children's room, but the landlord said, 'No, we don't allow that.'"

She watched as her toddler, a boy, picked a stick from a large refuse bin full of boards and nails. "They run wild," she sighed. "Wild, wild, out of control." A vagrant walked by, muttering to himself.

"The man, he's mad!" shouted one of the children. "We're all mad living here," said Margaret.

Airborne Smugglers Thrive in Nigeria

By Blaine Harden
Washington Post Service

LAGOS — The bearded baby-clothes smuggler slipped idly palm wine in a steamy back-alley saloon here and talked shop. "What I feel is better to fly with than anything else is baby wear," said the businessman, who travels from the Nigerian capital to Taiwan six times a year.

The businessman, who is 35, explained the advantages of baby wear for a Nigerian trader: A profitable haul could be stuffed in two suitcases. Customs inspectors at the Lagos airport usually do not demand duty or bribes to clear booties and bibs. Most importantly, Nigerians will pay a 500-percent to 600-percent markup for baby clothes.

The smuggler, who preferred not to be quoted by name, is one of thousands of Nigerian traders who have made 1985 a banner year for airlines serving Lagos. Passenger traffic is up 35 percent over 1984.

IN a paradox that points to the entrepreneurial acumen of Nigerians and to warped incentives built into their economy, air travel is booming even as the oil-dependent economy is in crisis. Many American and European banks recently have stopped doing business with Nigeria because the central bank is three months behind in releasing hard currency to pay for imports.

The new president, Major General Ibrahim Babangida, has declared a 15-month "economic emergency" designed, in part, to staunch the hemorrhage of scarce foreign exchange for luxury imports. This was in addition to a law that limited the amount of money a Nigerian could take out of the country.

Still, flights in and out of Lagos continue to be crammed with frequent-flying Nigerians, like the baby-clothes trader, who travel with an inordinate amount and exotic variety of baggage.

Women from the Lagos market board London-bound planes wearing loose-fitting, traditional gowns. Airline attendants on the Lagos-to-London flight report that these women often travel with dried fish tied to their thighs and upper arms and return with similarly concealed bundles of frozen fish sticks, dried milk and, of course, baby clothes.

In August, scores of London-bound traders showed up at the Lagos airport carrying cages containing one or two gray parrots. Until the government clamped down, parrots purchased for about \$60 in northern villages were being hawked for about \$300 in London.

Airline officials say that Nigerian traders returning to Lagos check in with baggage including car tires and engines, video and stereo equipment, clothing, cosmetics, processed foods and spare parts.

At London's Gatwick Airport last summer, according to a steward for British Caledonian Airlines, a Lagos-bound Nigerian tried to bring an auto windshield aboard as hand luggage.

About 1 percent of passengers leaving Lagos have excess baggage, while more than 30 percent of returning passengers pay excess-baggage fees "without complaint," said an airline executive.

Ishrat Husain, the World Bank representative in Lagos, argues that the Nigerian government's economic policies sustain the perverse incentives that, even as the country's economy unravels, keep Nigerian smugglers airborne.

In attempting to force austerity on Nigeria, government import restrictions have created acute shortages and, therefore, acute demand

for manufactured goods such as windshields and baby clothes.

At the same time, government price controls on airline tickets and a grossly overvalued currency that trades on the black market at one-quarter of its official rate make it extraordinarily cheap to fly in and out of Nigeria. A round-trip Lagos-to-London excursion fare on Pan Am sells for 725 naira, which can be purchased on the black market here for about \$182.

"The government's overregulation of the economy is creating these opportunities for private gain at the expense of the society in general," said Mr. Husain. The traders "are not paying taxes," he said, adding: "There is no way local industry can compete with these imported goods. Consumers must pay outrageous prices. I call it private affluence, public squalor."

FOR most of the 1970s, when Nigeria was awash with billions of dollars in oil revenue, Nigeria made little attempt to grow the food or manufacture the goods needed for nearly 100 million people. During that period Nigeria simply bought what the country thought it needed. There was plenty of money to slake a growing taste for luxury imports.

The oil glut of the 1980s changed all that. In the past five years, Nigeria's foreign exchange earnings have been cut in half. Inflation is running at about 40 percent, interest on foreign debts eats up nearly half of export earnings, and unemployment is rising.

But through it all, many Nigerians, particularly those who live in Lagos, have maintained their taste for consumer goods. That is why the bearded smuggler can cover his air fare to Taiwan, pay expenses and make what he estimates as a \$600 profit with just two suitcases of baby clothes.

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A SPECIAL REPORT

WEDNESDAY, OCTOBER 16, 1985

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Ungaro sketches for the collections, above, and Valentino's, right.

Designing From Inside The Skin

By George Gudauskas

PARIS — Agnès B may be a grandmother at 43, but she has the ability to see through a child's eyes. "I go inside the skin of people. I get in," the fashion designer said recently. "When I design for men, I think, if I were a man, what would I like to wear? If I were four years old, what would I like to wear?"

"That's what I try to do. It's an exercise I've always done."

So Agnès B explained the international success of her ready-to-wear fashions, which she has been designing since 1976, when she set up in a converted butcher's shop in the then-unfashionable Les Halles district of Paris.

Moderately priced at 400 to 500 francs (about \$50 to \$60) a piece, her simple, uncluttered fashions have earned her 100 million francs so far this year. Her income in 1984 totaled 70 million francs.

Agnès B's regular customers are said to include the actresses Catherine Deneuve, Isabelle Adjani and Jessica Lange; the singer-actors, David Bowie and Madonna; Philippe Starck, the architect, and Paloma Picasso.

Although Agnès B is but one of many designers in this city of fashion, she is a force in the French economy, so much so that President François Mitterrand decorated her this year with the Ordre National du Mérite for her service to French fashion, and to the French foreign trade balance.

The importance of French fashion in the country's economy can be seen in figures released by the Fédération Française de la Couture du Prêt à Porter des Couturiers et des Crâteurs de Mode.

In 1984, sales in France and for export totaled 2.2 billion francs, with women's ready-to-wear clothing accounting for 34.5 percent, the highest percentage, of the total. Exports rose to 1.4 billion francs last year, according to the federation.

Sales made by affiliates and licensed representatives throughout the world totaled 15 billion francs, with women's ready-to-wear capturing 35 percent of that figure.

For the entire group of haute couture, couturiers' ready-to-wear and designers' ready-to-wear, the federation said, net sales in France and for export were 3.24 billion francs, and 17.5 billion francs for affiliates and representatives around the world.

Agnès B is taking advantage of this rising spending in fashion. She is expanding. She has three boutiques for women in Paris, two in New York, one each in Lyons, Aix-en-Provence, Montpellier and Amsterdam, and 10 in Japan.

Soon, boutiques for women will appear in London and Milan.

New Agnès B lines are also emerging to clothe everybody from infants and children to men and women, and those wanting something a little bit nicer, a little more expensive.



Stacks of Agnès B tee-shirts.



Jean-Paul Gaultier suggests red cross-country ski boots as an accessory for his skinny suit and ruffy petticoat.

This is all quite a leap for the daughter and granddaughter of conservative Versailles barristers who once trained at the Ecole des Beaux-Arts to become a museum curator.

But in running an international fashion business, Agnès B has the help of her second husband, Jean-René de Fleury, who takes care of the financial aspects of the operation, in addition to managing the family's farming estate. Fleury is assisted by Etienne, one of Agnès B's twin sons of her first marriage.

Explaining her fashion philosophy, Agnès B — her company uses the surname initial of her first husband, Christian Bourgois, a publisher — said, "I prefer clothes to fashion."

"I like undated clothes, not clothes designed for today. I like clothes you can keep for years. I like very classic clothes, in fact, quite classic."

This thinking reflects her early days in the business, when she worked for people like Dorothee Bis and Pierre d'Alby and found she disliked the idea of planned obsolescence in fashion: trimmings and details added to designs to date each season's offering.

"I would design a jacket for Pierre d'Alby, and they would say: 'I need pockets, lining, cuffs, wider or narrower lapels; it's not a real jacket.' What they meant was that it should have trimmings, details, to make last season's model outdated," she told an interviewer recently.

Agnès B works in classic materials such as cotton, wool and silk, too, but uses some nylon and rayon. She never does what other designers are doing, because, as she puts it, "I never go and see what they are doing."

She knows, however, what they are doing. Of her nearest but more expensive competitor, Kenzo, she said, "He makes funny clothes." Of the new look that Karl Lagerfeld designed for Chanel, it could be less showy, more refined, she told The Sunday Times of London.

"It's a bit obvious," she said. She is at a loss to explain why she has no competitors at her price level, since considerable profit seems to be offered there.

"I don't know, I don't know," she shrugged, "because they sell very few clothes expensively. I sell

(Continued on Next Page)



A short, swingy suit for the Chanel woman and below, body-conscious dressing from Claude Montana.



Jean-Luc Mart

Search for New Thrills Puts Life Into Paris

By Letitia G. Jett

PARIS — Beyond the more obvious qualities that come to mind when thinking about this city, one thing above all must be said: Paris is never, ever boring. Parisians are often bored, or at least they pretend they are, which makes one theorize that that could be the very reason that their city is so lively. They are always trying to stir up some new controversy, competition or calamity to keep from getting bogged down in the quotidian.

While others are drawn to the city because of its irresistible mélange of history, beauty and opportuni-

ty, the Parisians occupy themselves with the business of keeping themselves amused with such activities as spectacular art exhibits — the one that has captured the imagination for the moment is the collection of more than 200 paintings, 158 sculptures and thousands of drawings and engravings by Picasso; extravagant social events; discovering new shops and restaurants and, for the next few days, many will be preoccupied with the latest news on the fashion front as France's finest offer their ideas on what women will want to wear next spring. On that subject the mood is ebullient.

As one fashion observer noted: "La mode est à la mode encore," which basically says it all. A renewed sense of excitement and confidence surrounds the spring/summer ready-to-wear collections, and even the clothes tend to reflect this spirit.

Color, body-conscious fabrics, ultra-feminine designs, more dresses than in seasons past and plenty of skin is what the top designers have on their minds for next year. Daring colors and outsize camouflage layers are passé; the body is in again. After all, women aren't working out to work wonders on their bodies to conceal them in folds of formless fabric.

Good news, though, from Karl Lagerfeld who offers an encouraging note for those whose proportions tend more toward the Rubenesque than the reed. He says: "Hips are in. Shoulders are not important anymore. The big, bulky look is over. With huge shoulders women were competing with men, they don't need to prove anything anymore, not like that."

He added, "By concentrating on the hips and waist we are putting attention on one area where men can never compete; men don't have hips." (Of course untold numbers of women wish they didn't either, but that is another story.)

All in all an upbeat spirit permeates the city. Practically no one talks about socialism these days and when they do, it is usually at some marvelous champagne-drenched dinner party where everyone is carefully coiffed, costumed and accessorized to the hilt. The only comments seem to be that it is almost over and that President François Mitterrand's policies are getting more like Giscard d'Estaing's every day. Meanwhile Raymond Barre, a presidential hopeful, sits quietly in the background watching and waiting while everyone talks about him — even such an unexpected supporter as popular song writer and singer Serge Lama.

Besides, the French have never been ones to stay home and dwell on the negative aspects of life when they can go out to some excellent little bistro or some newly in night spot and argue about the miseries of existence over good food and an excellent wine.

Lately, the most popular spots to see and be seen include the rejuvenated nightclub Les Bains Douches, which is now supposed to be called Les Bains, but everyone forgets; Pastel's and Magnetic Terrace for good food and piano bars (the Terrace is also a hot spot for brunch); Balzo on Monday nights for fast dancing and the rest of the week for ballroom dancing — naturally the crowds reflect the atmosphere. There is also a nightclub, Atmosphere, which draws a young "cool gang" crowd.

A new name in trendy land is Café de la Jatte, where on a good night the food is fine and so is the crowd. Two popular old standbys that always deliver are

(Continued on Page 11)



Jean-Luc Mart



Above, Karl Lagerfeld crisscrosses a belt over his pale gray suit to emphasize the hips. Right, Yves Saint Laurent favors a neat, no-nonsense approach to spring.

Jean-Luc Mart

Bangles, Beads Banish Black

By Jean Rafferty

PARIS — Parisians have shrugged off those low-profile little black dresses and are dressing up in a fabulous array of sequined and lavishly embroidered gowns. After all, there is only so much one can do with a little black dress, while the possibilities of embroidery are unlimited, as demonstrated in the recent couture collections and at glittering balls in the Château de Chantilly and the Opéra.

Embroidery has long been an indispensable ingredient of the couture evening dress. Now the couturiers and their exclusive clientele cannot get enough of bangles and bugle beads.

"Embroideries have never been as rich and sumptuous as they are now," said Jean-Guy Vermont, one of the handful of little-known *brodeurs* who work closely with the big-name designers. "People seem to need to really let go and dress up to the nines."

Swinging jet beads that move as the wearer walks were embroidered on lace for Saint Laurent and serve as accents for a sequined Dior ensemble. Lamé at Givenchy glittered with large motifs of colored stones in the form of flowers. Large stones again provided the focus to a theme in gold on a Dior skirt that resembled abstract art. For Hanae Mori, Vermont was inspired by 18th-century ironwork to create a gold-on-gold pattern shimmering with large faux sapphires.

But although these master *brodeurs* often play a crucial part in the creative process of a collection, when the results are acclaimed on the runway, it is the designer alone who takes a bow.

"We are the violets of haute couture," said François Lesage, whose firm dates from 1860, when it was founded by Napoleon III's embroiderer, Michonnet. "They can smell our perfume, but they don't know where to look for the flower." Lesage's sequined and beaded chandeliers, Boule comodes and grandfather clocks for Karl Lagerfeld's "Furniture" collection dresses were the talking point of the designer ready-to-wear shows for the fall.

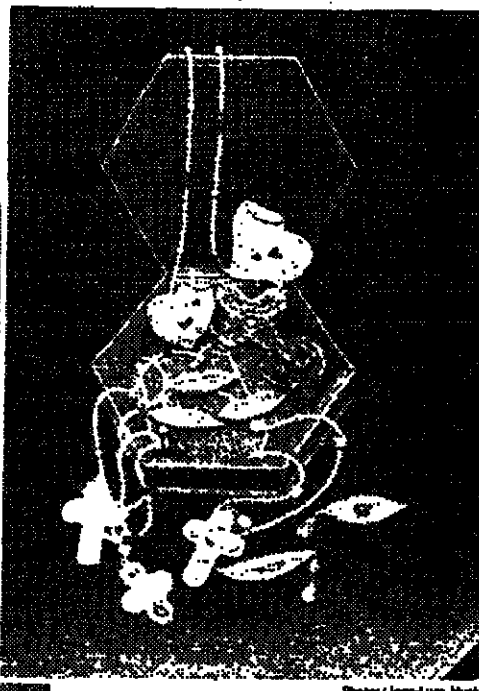
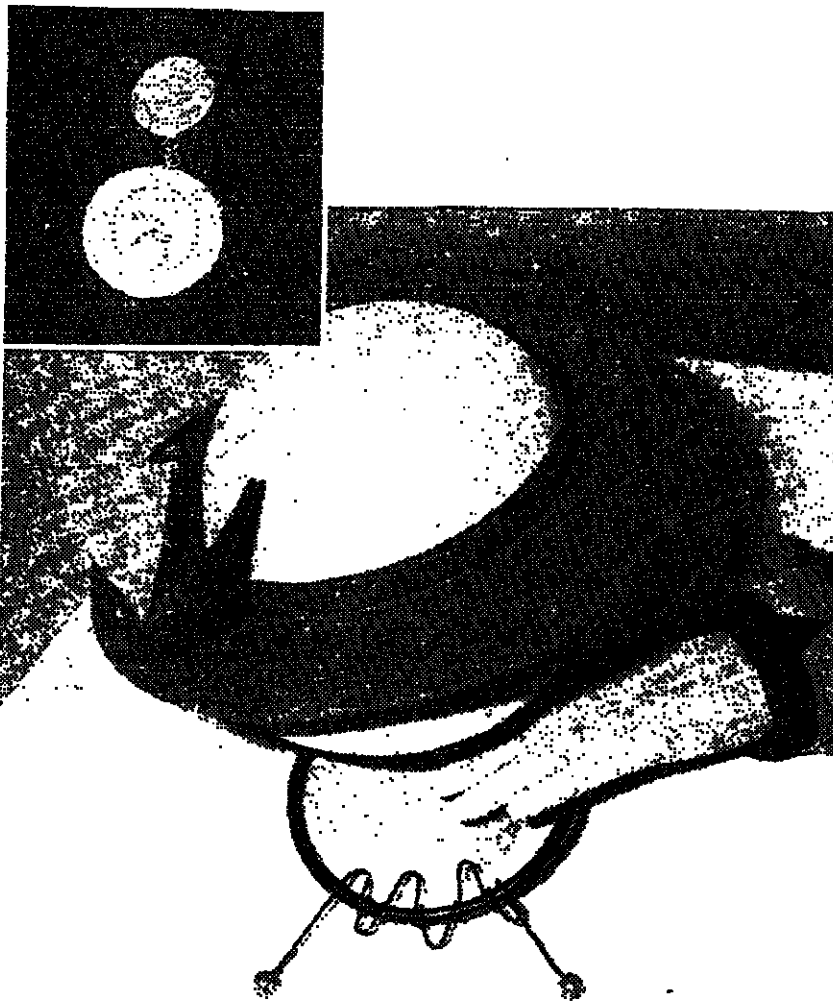
Lesage, who claims to do 99 percent of Chanel embroidery and 75 percent of Saint Laurent's, did camcans on a marbled background and baroque sculptures of big colored stones and velvet appliques for

(Continued on Page 12)

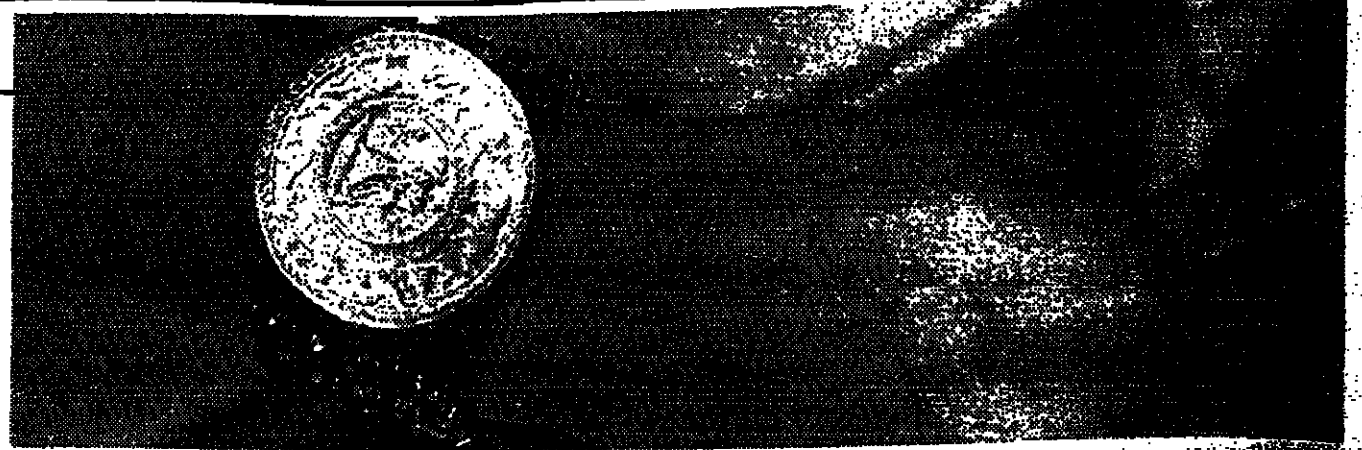


Lesage beading for a sumptuous Renaissance look.

A SPECIAL REPORT ON FRENCH FASHION

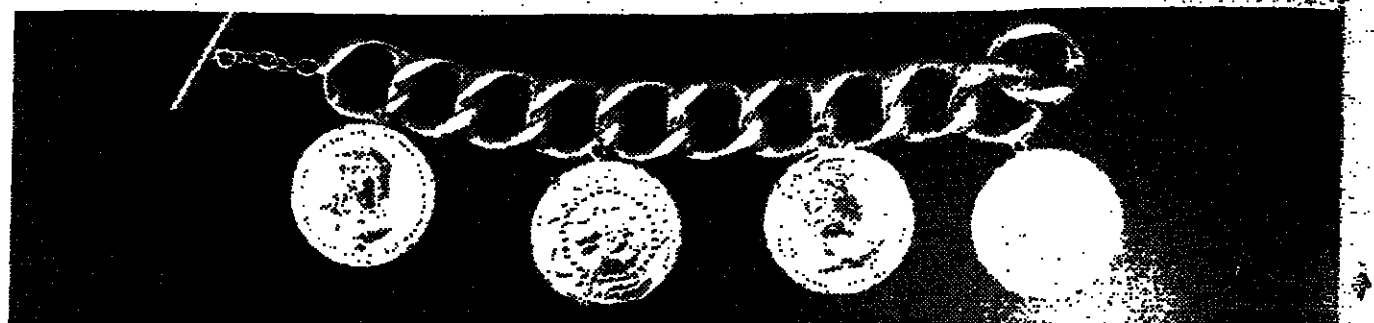


Here are some of Paris' best selling bijoux fantaisie. Upper left, Scooter's "gold" coin drop earrings. Left, amusing accessories in felt and enameled metal by Christian Astugueville at Comptoir de Kit. Above, Billy Boy's whimsical designs sold at Jansen and right more "gold" coin interpretations from Scooter.



Jewelry: Now the Frankly Fake

PARIS — As Coco Chanel, always a woman who appreciated the important distinction between getting dressed and getting noticed, so aptly demonstrated, masses of baubles and beads piled on with insouciant abandon makes all the difference in the world. Given the choice, heaven knows no woman with any sense would rather have a drawer full of *les bijoux fantaisie* than the real stuff; but in the world of frivolous fashion, frankly fake jewels are the most amusing little extras one can find, especially now.



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Designing From Inside the Skin

(Continued From Previous Page)
many clothes, not too expensively. It's not their idea for clothes. I think clothes exist when they are worn, when people wear them."

In her shops can be found teenagers and grandmothers alike, checking out her undated designs, or maybe just looking for that inexpensive "fun" piece.

"For instance," she pointed to a rack in her workshop overlooking the noisy Rue de Rivoli. "I made zebra pants. They are 400 francs. You can buy them, and you can wear them when you like it."

"If you pay 2,000 francs, it's crazy. But if you pay 400 francs," she said, "it's all right."

Proud of seeing her fashions worn on the streets of Paris and elsewhere, Agnès B said, "I enjoy it. I think it's nice. I like it."

"I like to see the way people wear them, very different, one from the other. But they're simple pieces, and they can express themselves with my clothes."

Her clothing is sold only in her own shops, staffed by her own people. Part of their job is to make customers feel comfortable and not

pressured into buying. Her own shops are preferred as sales outlets "because they are quite fragile, my clothes."

"If you mix them with funny clothes, they disappear. So I prefer they be in the right place, quite simple, very often with white tiles, movie posters and flowers. They are better like that."

"I don't want to sell to anybody, anywhere," she said.

She does sell, however, to a department store in Japan and to three stores in New York, including Bloomingdale's, where a weaker

dollar against the franc is an advantage to shoppers, "and that's good for American people," she said.

She also said a new line, Agnès B Special, is in the works. For it, clothes will be done in very fine material and in classic shapes, such as a "pure customer jacket that you can keep for years."

Asked whether a more expensive line would move her toward haute couture and the elite, she said it would not. "But I would like to have that sort of line," she added. "I think I would enjoy doing it."

Agnès B has no plans to join the ready-to-wear federation, with its 980 firms and 70,000 workers, most of them women.

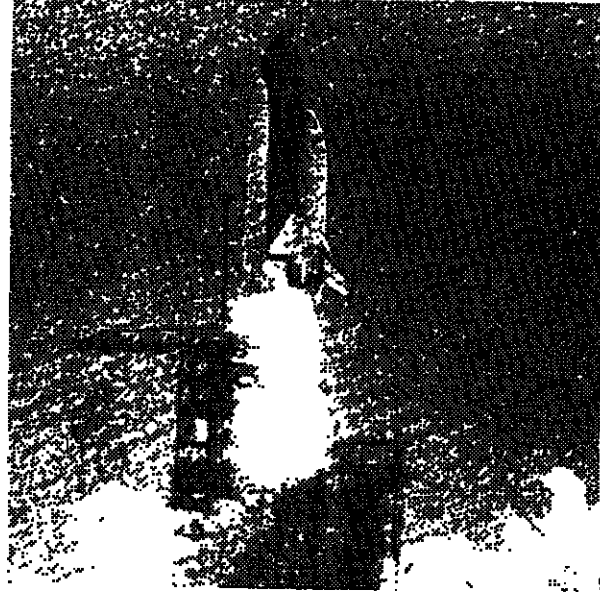
She prefers an independence, allowing her to see things a bit differently.

"I'm like a *franc tireur*, someone who shoots down from the roof when the others are... far below," she said.

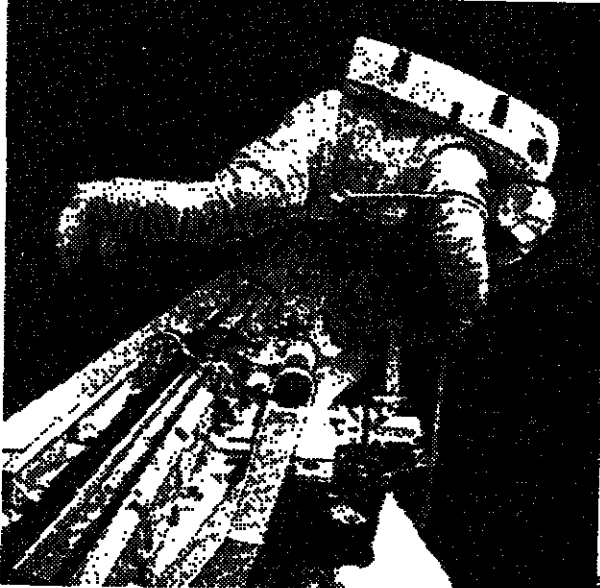
Agnès B, right. Below, the designer's latest look for men and women.



Columbia liftoff at Kennedy Space Center.



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A SPECIAL REPORT ON FRENCH FASHION

Skirts: A New Look

PARIS—No other city in the world offers quite the same richness and variety of street fashion.

When it comes to creative dressing, Paris is a panorama of pure street theater with a fresh, new production every day.

In the genealogy of street fashion a particularly inventive costume becomes a "look," which then evolves into a trend (after that it moves through a series of life cycles that can include interpretation by major designers, knock-off by medium-priced Hong Kong manufacturer, mark-down rack and sometimes resurrection in a no-iron, man-made fiber for sale in the budget department).

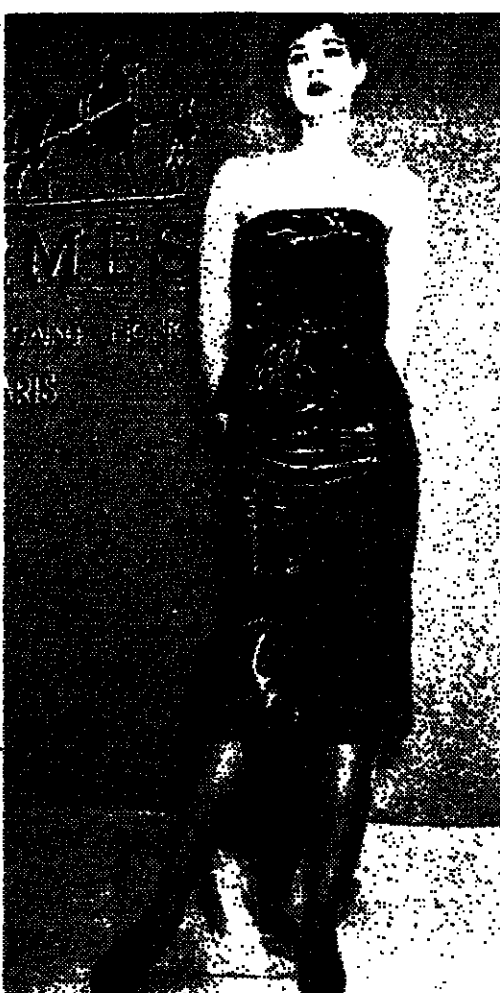
At the moment the single look that seems to be headed in that direction is the long, skimpy straight skirt teamed with either a short-cropped or tunic length sweater and always enormous earrings and flat shoes.

Variations on the theme include super wide belts and dark stockings.

—LETTIA G. JETT



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The Revved-Up Classics Arrive

PARIS—Classics will always be classics—or will they? Some of Paris's most venerable bastions of conservatism have added a surprising dose of pep to this year's collections. One can almost hear the motorcycle set revving up in approval over the black leather "Perfecto" dresses with their metal-studded collars at Hermès, shrine of the silk-scarf brigade.

Hermès's 23-year-old stylist, Eric Bergère, has instilled new pizzazz and humor into the line. His black patent leather strapless camisole, jacket and skirt provided a saucy contrast to the traditional Hermès camel-hair coats and silk-scarf prints in this fall's collection.

That preppy mainstay, the Lacoste crocodile shirt, has lost its sleeves. The new version, test-launched this summer and a sellout success, features the sleeves cut out high on the shoulder and will be back in force next summer. The ladies of a certain age and certain style who make up the stalwart Rodier clientele were shocked this autumn when they came in to replace their classic fawn jersey trousers. They were met with

upbeat displays of hot pink and grass-green wool jackets, oversize long-sleeved wool polo shirts over long-sleeved knit skirts over form-fitting knit ski pants in deep purple and peacock blue and vast geometric-motif pullovers in bright colors. The new look, a radical departure from the Rodier image, demonstrates Rodier's new desire to dress a "resolutely modern, active woman who loves life and fashion."

It is hardly a revolution at Charvet, where elegant Parisian gentlemen stock up on custom-made shirts. Nonetheless, there is a new emphasis on women, from the first floor's patterned silk scarves and custom-made shoes, to the second's shirts and nightdresses, to the fourth floor's low-necked, satin-collared tuxedo jackets paired with trousers or skirt.

Even Céline, the kingdom of the tailored gabardine skirt and low-heeled moccasin, has a new kicky accent. They have brought out a line of leopard-look pony skin, including a large, leather-trimmed shopping bag, high-heeled boots and earrings.

—JEAN RAFFERTY

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Paris Life: Search for New Thrills

(Continued From Page 9)

Castel's, with its fashion-conscious bon-chic bon-geur regulars, and La Maison du Caviar, with its excellent food and mixed clientele of famous and/or pretty faces.

To replenish the wardrobes and keep that competitive edge, French women are ever on the prowl for something new and different. As a result, boutiques wax and wane in popularity, and around any corner it is possible to discover a little shop that did not exist two months before and may not exist six months hence as designers and retailers try to keep their fickle clients satisfied.

For up-to-the-minute skirts and sweaters, the place of the hour is Joseph Tricot; for sublime cashmires, Hobbs is the place. Premier Etage is a favorite spot for accessories. Accessoire Diffusion reportedly has the best ballerinas in town, while Stephane Kellian has "glitzy flats plastered with wildly colored sequins. For the classical chic look that is so coveted, many women are running to Peggy Roche's boutique, and for clothes best described as "sexy, eccentric and funny," Yvan et Marzia is not to be missed.

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A Royal Night

PARIS—After a day at the races — the Prix de l'Arc de Triomphe, to be specific, the race of the fall season — a couple hundred top names met later for champagne and dinner at the Hotel George V. All manner of royalty from Saudi Arabia to Monaco with no small number of titled English sprinkled in the crowd of smart commongers turned out in their most opulent grand entrance gowns accessorized by plenty of jewelry. (Fashion note: Gold, as in sequins, embroidery, lamé and piping, is a top choice and it looks as if long gloves and wide chokers are having a revival.) The hot topic of conversation was a continuation of the grooming that started at the race in the afternoon when Daniel Wildenstein's horse, Sagace, was disqualified as the big winner because his jockey was charged with bumping. As a result, the bumped horse, Rainbow Quest, was declared the victor, a decision that was met with a chorus of unapologetic boos and hisses.

—LETTIA G. JETT

Forget Detente: Paris Wonders If Raisa G. Is Really Chic

PARIS—From time to time, truly meaningful events occur in the world, giving one pause, allowing a moment of reflection to contemplate, not so much the meaning of life, but rather some of its more crucial nuances. For example, that burning question: Is Raisa Gorbachev chic or is she merely elegant? Never mind about detente, for several days the issue of Mrs. Gorbachev's fashion sense was far more riveting news. Should the Russian leader's wife have worn that gray suit twice on one official visit — and in Paris of all cities? Now really. Doesn't she own any black stockings? And on and on. Now we all know what she brought with her to wear, but the big question is: Did she buy anything from Yves Saint Laurent to take home? No, is the official word from Clara Saint Laurent. "But she left with her arms full of bottles of Opium. She said it is her favorite perfume."

—LETTIA G. JETT

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A SPECIAL REPORT ON FRENCH FASHION

Bangles and Beads Are Banishing Black

(Continued From Page 9)

Saint Laurent beaded entire dresses for Dior's Gustav Klimt collection, created Chinese porcelain motifs for Chanel's Watteau models and trompe l'oeil Chanel gold chains for the ready-to-wear. For Scherrer's paisley patterns, he used "broken glass" mosaic beads from the 1920s, and for Hanac Mori, created a sheath of real gold derived from the gilding technique used on Paris's Invalides dome. Lesage has done beaded versions of New York subway graffiti for Lagerfeld.

The *brodeurs* bring out collections of from 150 to 200 motifs twice a year before the couture collections. Each sample means 40 to 50 hours of work. The motifs are modified to the individual tastes of each designer, who makes a selection from samples presented exclusively to him. Because it is too early to know what themes a designer may choose, the *brodeurs* must try to outguess the designers or stimulate them to move in certain directions.

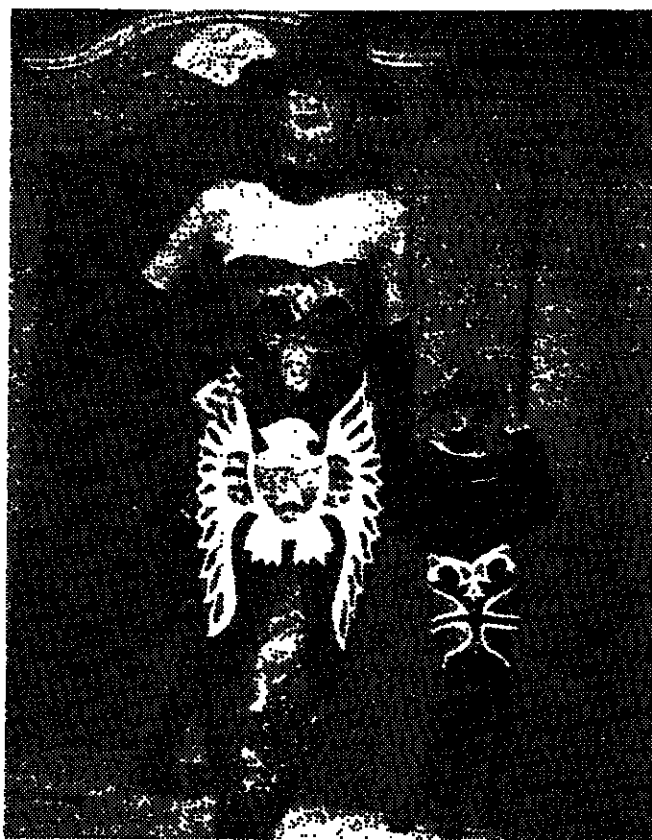
"We have to preview fashion,

know where it is going," Lesage said. "That is the drama. Embroidery isn't difficult. What is difficult is the choice of direction."

They look for inspiration where the designers do, in current art shows, in the countries where a designer has traveled. "Sometimes I get it wrong," Vermont admitted, "and have to redo motifs at the last minute based on another painter, another country or a different floral theme."

As the collections loom, embroidery ateliers work night, day and weekends, putting in up to 5,000 manhours a week, to get the prototypes ready. The *brodeurs* employ about 50 to 60 workers in Paris and an equal number outside. Among them is a surprising number of young women. "The average age at my Paris atelier, including me, is 29," Lesage said.

Materials they use include Japanese pearls, metal beads, mirrors, wood, cork, straw, paste stones in jewel colors or semi-precious stones like jet, lapis lazuli, turquoise and coral, sequins in hundreds of shapes, such as hearts,



Karl Lagerfeld's ultralighter: "Paris, Texas." The dressy bead work is by Jean-Guy Vermont.

triangles, squares, petals and leaves, in brilliant or mat, porcelain, mother-of-pearl or iridescent tones accented by braid and silver, gold and multi-colored threads. These are used in imaginative conjunction with satin, silk, velvet, moiré, lamé and lace, even towel-

ing to produce classic patterns, exquisite trompe l'oeil or startling embroidery sculptures.

Vermont travels to Czechoslovakia, Austria, Scandinavia and Japan in search of materials. Lesage can dip at will into his impressive stock accumulated over 125 years plus 40 tons of stock from France's oldest bead suppliers that he bought when they went out of business two years ago.

Although a variety of material is important, it plays only a small part in the cost of the final embroidery, about 5 percent to 10 percent, according to Lesage. What pushes the price up are the hours of painstaking hand sewing of as many as 700,000 sequins and miles of gold, silver or silk thread onto a single dress. One dress Vermont beaded for Pierre Cardin weighed more than 20 pounds (9 kilograms).

The minimum time spent on a dress is about 50 hours for an embroidery at waist and cuffs, for example, which costs 15,000 francs (\$1,860). The maximum? "Unlimited," Vermont said. "Most of my customers are even too exclusive for haute couture. Each dress is created especially for them." A bridal dress destined for a petal princess can consume 2,000 hours

of hand sewing plus hundreds more for the drawings and cost 400,000 francs for the embroidery alone. The Saint Laurent fish-scale dress Lesage made for Saroya Khushoggi in 16 shades of sequins and beads cost \$250,000.

Some of Vermont's clients arrive with jewel cases, their drawers full of diamonds, sapphires, emeralds or rubies to inspire a matching embroidery. For the wife of the emir of Bahrain, he designed a sapphire blue and crystal flower motif she wore with a matching sapphire and diamond necklace. Once he set up an atelier in the suite of a grand Parisian hotel as his seamstresses sewed one- and two-carat diamonds into the centers of embroidered flowers under the watchful gaze of armed guards.

Lesage's price breakdown is 120 to 140 francs an hour cost price, which he sells for 300 to 400 francs to the designer. An embroidered bodice might cost from 30,000 to 60,000 francs; an entirely beaded dress like Dior's Klimt models reaches 80,000 to 120,000 francs. The final price of a dress is usually double that for a small motif, less for a large one.

"That's the difference with New York," said Lesage, who works with Bill Blass, Geoffrey Beene, Oscar de la Renta and Carolyn Roehm. "There, \$1,000 of embroidery is sold for \$5,000. It makes French haute couture less expensive than American ready-to-wear in work done."

Lesage is modest about the originality of most designs. "Sometimes I think everything has been done," he said. "The only novelty is to make new marriages of materials. I have made 20,000 samples and if I am honest, I think I have only done 15 real originals."

His favorite embroidered dress changes color from white to black according to the direction from which it is viewed.

To expand his limited clientele ("I dress 1,000, or if you count the United States, 2,000, women") and to take advantage of what he calls "the most important museum of embroidery in the world" of 100,000 samples, including those used by Worth, Balenciaga and Schiaparelli, Lesage is launching a line of limited-edition costume jewelry and accessories in New York next month. He plans another limited edition of framed samples as well decoration.

Vermont, too, moved into decor when he was asked to embroider the bedspread and curtains of a princely bedroom using silver beads, tiny pearls and white and silver ostrich plumes. "It wouldn't do for anyone ticklish," he said.



From left, Claude Petit, Doby Broda and Renata

The 'Paris Personals'

By Monique de Faucon

PARIS — A low-profile group of intensely personal Paris designers have two things in common: they are all women and they design essentially for themselves.

To distinguish them from prêt-à-porter and couture, trade buyers have come to call them the "Paris Personals."

They may be less than household names, but Arlette Chacok, Claude Petit, Renata, Marine Biras, Doby Broda and a dozen more are sometimes already better known in Montreal or Frankfurt than along Paris's Avenue Montaigne and the Faubourg St. Honoré.

Each has a clear-cut image. And as more and more shoppers learn to recognize and to adopt a specific designer idiom, they look each season for an update of the style they have taken as their own.

"Identity is what people are looking for," said Arlette Chacok. "When they find it in my clothes, they keep coming back."

In 15 years, Chacok has grown to the point of breaking out into international franchise operations, showbiz-type collections and heavy publicity budgets. Nevertheless, she still exemplifies the mounting importance of those "Paris Personals" who, with a minimum of media support, put maximum concentration into their individual styling.

Determined individuality started her toward independence. From a hardware store in the south of France, she bought 10-cent packets of dyestuff to remake flea-market peasant shirts and petticoats for the summer Côte d'Azur crowd.

"The colors never came out the same, so I kept re-dipping them," she said. When Brigitte Bardot appeared wearing a Chacok "remake" on magazine covers worldwide, Chacok was off and running.

Today, she creates at Biot, in the south of France, in the center of a computerized fashion empire that supplies stores and boutiques from Jeddah to Japan, and 270 U.S. out-

lets including Saks Fifth Avenue, Bendel's and Neiman Marcus.

Command of color is still her clincher. A sensational summer '86 "knitted linen" coat is woven in jacquard patterns of stars and moons, tigers and elephants, clowns and acrobats, typically against a vivid yellow background. Lamé jackets and bouffant pants are made in emerald, tangerine, bohemian blue or canary yellow.

Renata, by contrast, keys everything to tones that flatter the feminine skin: champagne, salmon pink, the palest gray and a very precise beige "without pink or yellow," keyed to ivory. In practice, she adds two vivid tones to her understated palette each season "to put a pulse beat into the pastels" — this time, lacquer red and a throbbing golden yellow.

The subtle sensuality she injects into simple lines is strongly evident for next summer in a new breed of evening skirts and dresses. Star of the series is a bare-back suntop dress in golden yellow crepe, cut on the bias with softly draped pockets. "To wear straight onto the skin, like a mermaid dress."

Claude Petit has three "Diamant Noir" boutiques open or on the way in Paris, and others scheduled for Geneva and Houston.

At the upmarket end of the scale, a recent "Diamant Noir" gray moiré suit with black frog fasteners went to Nancy Reagan via the New York "Fifra" boutique, thus swelling the ranks of big-name clients.

"Diamant Noir" evening spectaculars for 1986 are in heavy duchess satin, with open lamé-lined pleats in contrasting shades of aqua green and purple, or petal pink and ice blue. But Petit still looks after young working women with clothes designed to bridge the gap between city hours and disco nights, this time white, bronze or black cotton gabardine jackets, with short sleeves opening onto fan-shaped pleats with jutting pockets.

Mood, rather than mode, determines Doby Broda's themes. She began three years ago with clothes essentially for herself, in simple



Arlette Chacok



Marine Biras

sizes and worked out for her own short but full frame. Yet instantly they appealed to the Paris model girl pack and young movie stars.

Like Chanel, she considers intuition as the most sincere form of flattery. Recently, both the jersey scarves that she hides inside her suit jackets to drape around the neck and down one side, and the contrast color armbands inserted into other suits, have appeared all over in a matter of weeks.

Dresses dominate for summer '86, with a preference for high waists and pretty drapes. Most-ordered is one in linen, fitted with organza flounces around neck, armholes and hips.

It was a keen eye for promising offbeat materials, that launched Marine Biras into fashion. The coarse "bure" cloth used for first bargain-rate fabric, made up into coats, capes and skirts.

Likewise, bombazine, a shiny cotton once used for French children's school pinafores, made pants that became the St. Tropez summer shock wave. The next year came white linen bedsheet. This next series of summer pants not only sold to couturiers like Jean Louis Scherrer, Karl Lagerfeld, Emmanuelle Khanh and Jean-Charles de Castelbajac, but are credited by the flax industry as sparking off a linen revival in ready-to-wear.

Right now her choice is regular British gabardine selling in wide-shouldered suits with mini-lapels, piped pockets and hip pleats repeated in the matching skirt. The most Parisian of her 1986 group is the collarless spencer jacket wrapped to one side and closed with three plexiglass buttons. In solid color or three-tone jacquard, it contrasts beautifully with her straight skirts in black wool and cashmere.

Chacok — 18, rue de Grenelle, 75007, Tel. 222 6999
Renata — 17, rue St. Florentin, 75001, Tel. 260 1119
Marine Biras — 5, rue Lobineau, 75006, Tel. 325 0164
Diamant Noir (Claude Petit) — 66, Bd. Raspail, 75006, Tel. 549 2690
Doby Broda — 27, rue du Bouloi, 75001, 233 3721

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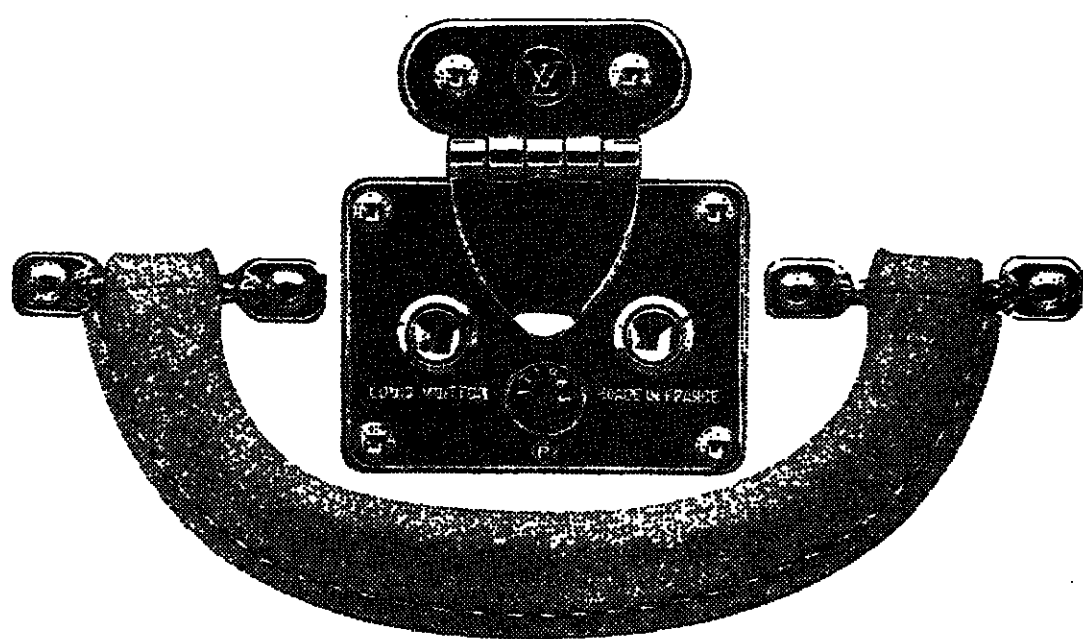
When you have a suit or a shirt custom-tailored at Lanvin, everything is done by hand: not only what you can see, but also all those tiny but vital finishing touches which you cannot.

Today, the workshops on the Faubourg Saint-Honoré are probably the last ones in Paris where you can have all your clothes, from head to feet, made to measure for you. There are ninety people there, and they work with the same attention to detail as in former times.

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Body Contour Makes Its Mark in Britain

Some designers did not show on the runway, but had exciting collec-



gave buyers a lot to buy. About 85,000 people are knitting away in England, and they keep re-inventing the craft. The flowered, tastrology look, launched by Scott Crolla, is now out — and not too soon, since it now extends to everything.

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NYSE Most Actives				
Vol.	High	Low	Last	Chg.
AT&T	24 1/2	24 1/4	24 1/2	+1/4
IBM	115 1/4	115 1/4	115 1/4	+1/4
GE	29 1/4	29 1/4	29 1/4	+1/4
Merck	48 1/4	48 1/4	48 1/4	+1/4
Amgen	24 1/4	24 1/4	24 1/4	+1/4
Amgen	24 1/4	24 1/4	24 1/4	+1/4
Amgen	24 1/4	24 1/4	24 1/4	+1/4
Amgen	24 1/4	24 1/4	24 1/4	+1/4
Amgen	24 1/4	24 1/4	24 1/4	+1/4
Amgen	24 1/4	24 1/4	24 1/4	+1/4

Dow Jones Averages				
Open	High	Low	Last	Chg.
Indust.	1,359.54	1,359.54	1,359.54	+1.14
Trans.	1,359.54	1,359.54	1,359.54	+1.14
Comp.	1,359.54	1,359.54	1,359.54	+1.14
Auto	1,359.54	1,359.54	1,359.54	+1.14
Chem.	1,359.54	1,359.54	1,359.54	+1.14

NYSE Index				
High	Low	Close	Chg.	Vol.
1,359.54	1,359.54	1,359.54	+1.14	1,359.54
1,359.54	1,359.54	1,359.54	+1.14	1,359.54
1,359.54	1,359.54	1,359.54	+1.14	1,359.54
1,359.54	1,359.54	1,359.54	+1.14	1,359.54

Tuesday's
NYSE
Closing

Vol. of 4 P.M. 11,359,540
Prev. 4 P.M. vol. 11,359,540
Prev. consolidated close 1,359.54

Tables include the nationwide prices
as to the closing on Wall Street and
do not reflect late trades elsewhere.
Via The Associated Press

AMEX Diaries				
Class	Prev.	Chg.	Vol.	Chg.
Advanced	1,359.54	1,359.54	1,359.54	+1.14
Declined	1,359.54	1,359.54	1,359.54	+1.14
Unchanged	1,359.54	1,359.54	1,359.54	+1.14
New High	1,359.54	1,359.54	1,359.54	+1.14
New Low	1,359.54	1,359.54	1,359.54	+1.14

NASDAQ Index				
Class	Prev.	Chg.	Vol.	Chg.
Composite	1,359.54	1,359.54	1,359.54	+1.14
Indust.	1,359.54	1,359.54	1,359.54	+1.14
Trans.	1,359.54	1,359.54	1,359.54	+1.14
Comp.	1,359.54	1,359.54	1,359.54	+1.14

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
BAT	1,359.54	1,359.54	1,359.54	+1.14
Wick	1,359.54	1,359.54	1,359.54	+1.14
Wick	1,359.54	1,359.54	1,359.54	+1.14
Wick	1,359.54	1,359.54	1,359.54	+1.14
Wick	1,359.54	1,359.54	1,359.54	+1.14

12 Month	High	Low	Stock	Div. Yld. %	PE	Stk.	High	Low	Chg.	Vol.
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54

N.Y. Stocks Mixed as Rally Stalls

NEW YORK — A rally on the New York Stock Exchange stalled Tuesday, with prices closing mixed in active trading.

Prices opened higher, and it appeared that the market was ready to score its sixth consecutive gain. But the upswing faded after two hours, just when the Dow Jones average of 30 industrials climbed above its record high of 1,359.54, set on July 19.

The average then fell nearly 7 points but trimmed the loss by the closing bell to 3.92 points, finishing at 1,350.81.

Declines overall slightly trailed advances, but the NYSE composite index lost 0.14 to 107.50. Auto, telephone and computer issues led the losers, while several financial stocks moved ahead.

Volume swelled to 110.35 million shares from 78.54 million on Monday, which was a semi-holiday because of Columbus Day.

Some analysts interpreted the market's mixed performance as a typical "correction," with many investors taking profits after the recent run-up, as opposed to a significant reversal in investor sentiment.

"This was just a normal time out," said Alfred E. Goldman, vice president of A.G. Edwards & Sons Inc. in St. Louis. "To put six days back to back is a little difficult."

However, Mr. Goldman and other observers expressed concern that the market's broader measures have not kept pace with the recent surge in the Dow industrials, although they noted that the industrials were boosted in part by the takeover-related surge in one of the average's components, General Foods.

Volcker: 'I'm Staying'

WASHINGTON — Paul A. Volcker, chairman of the Federal Reserve Board, denied Tuesday that he would leave his post to become president of the World Bank.

"I'm here, I'm staying," Mr. Volcker said at a business conference sponsored by the American Stock Exchange. "Nothing is forever, but that is how things stand at the moment."

His comment appeared to end speculation in recent weeks that he might resign his post at the U.S. central bank before his term is over in August 1987 to head the international financial institution.

Paraphrasing the American humorist Mark Twain, Mr. Volcker said: "The reports of my demise are greatly exaggerated."

Still, they said the ability of the market to extend its rally could hinge on whether the broader indexes "confirm" the gains in the blue chips with similar advances of their own.

The economic backdrop showed continued signs of improvement. Meanwhile, the Commerce Department reported a 0.4-percent decline in business inventories for August, the largest in more than two years.

Much of Wall Street's attention Tuesday was given to third-quarter corporate earnings, however, particularly in the banking sector.

J.P. Morgan rose 1/4 to 50 1/2 and Wells Fargo climbed 1 to 54 1/4.

12 Month	High	Low	Stock	Div. Yld. %	PE	Stk.	High	Low	Chg.	Vol.
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54



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12 Month	High	Low	Stock	Div. Yld. %	PE	Stk.	High	Low	Chg.	Vol.
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54
1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54	1,359.54

سكوا من الاصل

Statistics Index

AMEX prices	P.16	Commodity prices	P.17
AMEX futures	P.16	Foreign exchange	P.17
NYSE prices	P.16	Gold prices	P.17
NYSE futures	P.16	Interest rates	P.17
Commodity prices	P.17	Market summary	P.17
Commodity futures	P.17	Oil prices	P.17
Commodity options	P.17	OTC stock	P.17
Dividends	P.16	Other markets	P.20

WEDNESDAY, OCTOBER 16, 1985

INTERNATIONAL MANAGER

Company Rules for Smokers Increasing in Europe, U.S.

By SHERRY BUCHANAN

International Herald Tribune

LONDON — "No Smoking (Anything else you want to do is OK with us)," proclaims a sign in the office of a London-based public relations firm. A survey commissioned by the Tobacco Institute, which is supported by the U.S. tobacco industry, found that nearly one-third of the large U.S. corporations has some type of no-smoking policy.

U.S. estimates of the effects of nonsmokers inhaling other people's smoke range from 500 to 5,000 additional cases of cancer each year. Other symptoms for nonsmokers who work in a smoke-filled environment include itchy eyes, allergies and raw throats. U.S. nonsmokers have become more vociferous and U.S. smokers seem to have become increasingly guilty about polluting their office colleagues' lungs.

Of the 445 companies that responded to the survey of the 1,000 largest U.S. companies listed in Fortune magazine, 32 percent limited smoking on the job in some way and 24 percent had considered, but rejected, a smoking policy. Three percent of the companies banned smoking in work areas and 2.5 percent forbade it anywhere on company premises.

In Europe, corporate attitudes vary from country to country, with the rights of nonsmokers in the office becoming recognized in countries that show the lowest smoking statistics. Britain, for instance, has a low of 36 percent of men smokers, whereas France has a high of 50.4 percent.

Although there are no statistics, several British companies are introducing no-smoking policies. According to the Comité National de la Lutte Contre le Tabagisme, no French company has a smoking policy.

"For a company to prohibit smoking in the office is an infringement on an individual's rights. It's a puritanical attitude," argues a French executive who is a smoker.

As European companies become more sensitive to the non-smoker's problem, their executives must seek the best policy in respect both to smokers and nonsmokers. Banning smoking altogether is seen by many preventive medicine experts as anti-productive.

"It's foolish. You're just going to find people finding an excuse to go to the toilet every five minutes," says Gerry Richards, who set up and ran the fitness program for Rank Xerox in London. One solution preferred by many European companies is to group people in open-plan offices according to whether they smoke or not.

LM Ericsson AB, the Swedish telecommunications group, has no formal anti-smoking policy. But if a nonsmoker is bothered by a colleague who smokes, the company usually arranges for the smoker to move.

At ITT European headquarters in Brussels and at Rank Xerox International's European headquarters in London, people are requested not to smoke during meetings, but retain total freedom to light up in their own office.

The interesting thing at Rank Xerox is that, since the introduction of the fitness program, only 10 percent of the 550 people working at headquarters continue to smoke. Those 10 percent also correspond to those who never joined the fitness program. "They are anti-self preservation if you like, determined to go against any established medical advice," says Mr. Richards, now a consultant in preventive medicine.

Some British companies have recently banned smoking in the office except in designated places at designated times, since, for them, it was difficult if not impossible to isolate the smokers.

Cambridge University Press has an open-plan office where it has been impossible to keep smoke from circulating.

The company held a vote, and a majority asked for a smoke-free office.

Currency Rates

Cres Rates										Oct. 15		
	6	9	D.M.	10	15	15	15	15	15	15	15	15
Antwerp	2.001	4.597	132.714	6.443	3.015	3.147				8.571	3.58	1.58
Buenos Aires	0.5395	16.93	20.268	6.443	3.015	3.147				34.675	3.08	1.23
Frankfurt	1.642	1.278		28.81	1.515	8.725				4.925	1.084	1.23
London (1)	1.472			3.759	1.165	2.535				4.236	1.084	1.23
London (2)	1.472			25.18	1.165	2.535				4.236	1.084	1.23
New York (1)	0.7075	2.465	1.936	1.579	3.002	3.29				2.136	2.135	1.23
Paris	1.1175	1.146	2.049		4.780	3.268	10.625			2.376	2.135	1.23
San Francisco	1.1175	1.146	2.049		25.18	1.165	2.535			4.236	1.084	1.23
Singapore	2.1828	3.0075	2.915	2.965	1.314	7.31				4.627		1.23
ECU	0.0097	0.007	1.010	0.2998	1.419	2.471	44.796			1.813	1.779	1.23
SDR	1.0007	0.7515	1.2649	0.62135	1.02	1.393	57.304			2.236	2.246	1.23
Closing Rates for Dollars, Roubles in the above European countries, New York rates of 2.246,												

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Oct. 15, 1985

AL-MAL MANAGEMENT		AL-MAL MANAGEMENT	
(1) Al-Mal Fund	\$ 174.17	(1) Al-Mal Fund	\$ 174.17
(2) Al-Mal Fund	\$ 174.17	(2) Al-Mal Fund	\$ 174.17
(3) Al-Mal Fund	\$ 174.17	(3) Al-Mal Fund	\$ 174.17
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(18) Al-Mal Fund	\$ 174.17	(18) Al-Mal Fund	\$ 174.17
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(22) Al-Mal Fund	\$ 174.17	(22) Al-Mal Fund	\$ 174.17
(23) Al-Mal Fund	\$ 174.17	(23) Al-Mal Fund	\$ 174.17
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(25) Al-Mal Fund	\$ 174.17	(25) Al-Mal Fund	\$ 174.17
(26) Al-Mal Fund	\$ 174.17	(26) Al-Mal Fund	\$ 174.17
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(34) Al-Mal Fund	\$ 174.17	(34) Al-Mal Fund	\$ 174.17
(35) Al-Mal Fund	\$ 174.17	(35) Al-Mal Fund	\$ 174.17
(36) Al-Mal Fund	\$ 174.17	(36) Al-Mal Fund	\$ 174.17
(37) Al-Mal Fund	\$ 174.17	(37) Al-Mal Fund	\$ 174.17
(38) Al-Mal Fund	\$ 174.17	(38) Al-Mal Fund	\$ 174.17
(39) Al-Mal Fund	\$ 174.17	(39) Al-Mal Fund	\$ 174.17
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New Issue

These Bonds having been sold, this announcement appears as a matter of record only.

October 1985



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Farmington, Connecticut
United States of America

DM 175 000 000

6 3/4% Bearer Bonds of 1985/1995
Issue Price: 100%

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Swiss Bank Corporation
International LimitedDeutsche Bank
AktiengesellschaftDresdner Bank
Aktiengesellschaft

Bankers Trust GmbH

Banque Nationale
de ParisKleinwort, Benson
Limited

Morgan Guaranty GmbH

Shearson Lehman Brothers
International

Credito Italiano

Sumitomo Finance
International

Al-Mal Group	Bear Stearns International Ltd.	Goldman Sachs	Den norske Creditbank
Algemeine Bank Nederland N.V.	Joh. Berenberg, Gossler & Co.	International Corp.	Oesterreichische Landesbank
Amro International Limited	Bergens Bank A/S	Hambros Bank	Aktiengesellschaft
Arab Banking Corporation -	Berliner Bank	Quintel	Sal. Oppenheim jr. & Cie.
Daus & Co. GmbH	Aktiengesellschaft	Hamburgische Landesbank	Orion Royal Bank
Bankhaus H. Aulhäuser	Bankhaus Gebrüder Bethmann	- Girozentrale -	United
Baden-Württembergische Bank	BHF-Bank (Schweiz) AG	Georg Hauck & Sohn Bankiers	PaineWebber International
Aktiengesellschaft	Bremer Landesbank	Kommanditgesellschaft auf Aktien	Pierson, Heidring & Pierson N.V.
Badische	Kreditanstalt Oldenburg	Hessische Landesbank	PK Christiania Bank (UK)
Kommunale Landesbank	- Girozentrale -	- Girozentrale -	Limited
Julius Baer International	Caisse des Dépôts	Hill Samuel & Co.	Privatbanken A/S
Limited	et Consignations	Limited	Rabobank Nederland
Banca Commerciale Italiana	Chase Bank AG	EFHutton & Company	N.M. Rothschild & Sons
Banca del Gottardo	Chemical Bank	(London) Ltd.	Limited
Banco di Roma per la Svizzera	International Group	Industriebank von Japan	The Royal Bank
BankAmerica	CIBC	(Deutschland)	of Scotland plc
Capital Markets Group	Limited	Aktiengesellschaft	J. Henry Schroder Wagg & Co.
Bank für Gemeinwirtschaft	Citibank	Istituto Bancario	Limited
Aktiengesellschaft	Aktiengesellschaft	San Paolo di Torino	Smith Barney
Bank Gutzwiller, Kurz,	Commerzbank	Kidder, Peabody International	Harris Upham & Co.
Burgener (Overseas)	Aktiengesellschaft	Limited	Incorporated
Limited	Compagnie de Banque	Kreditbank N.V.	Société Générale
Bank Leu International Ltd.	et d'Investissements, CBI	Luxembourggoise	Strauss, Turnbull & Co.
Bank in Liechtenstein	County Bank	Kuwait International	Limited
Aktiengesellschaft	Crédit Lyonnais	Investment Co. s.a.r.l.	Sumitomo Trust International
Bank Mees & Hope NV	Creditanstalt-Bankverein	Kuwait Investment	Limited
Bank of Tokyo (Deutschland)	CSFB-Effektenbank AG	Company (S.A.K.)	Svenska Handelsbanken Group
Aktiengesellschaft	- Girozentrale -	Landesbank Rheinland-Pfalz	Swiss Volksbank
Bank J. Vontobel & Co. AG	(Deutschland) GmbH	- Girozentrale -	Trinkaus & Burkhart KGaA
Banque Bruxelles Lambert S.A.	Delbrück & Co	Lloyds Merchant Bank	Union Bank of Norway Ltd.
Banque Française	DG BANK	Limited	Union Bank of Switzerland
du Commerce Extérieur	Deutsche Genossenschaftsbank	LTCB International	(Securities)
Banque Générale	- Girozentrale -	Limited	Limited
du Luxembourg S.A.	Deutsche Girozentrale	Manufacturers Hanover	Verband Schweizerischer
Banque Indosuez	Deutsche Kommunalbank	Bank	Kantonalbanken
Banque Internationale	DSI Bank	Mercat, Finck & Co.	Verreins- und Westbank
à Luxembourg S.A.	Deutsche Siedlungs- und	Merrill Lynch Capital Markets	Aktiengesellschaft
Banque de Neuville,	Landesbank	B. Metzger seel. Sohn & Co.	S.G. Warburg & Co. Ltd.
Schlumberger, Mallet	Domination Securities Pitfield	Mitsubishi Finance International	M.M. Warburg-Brinckmann,
Banque Paribas Capital Markets	Limited	Samuel Montagu & Co.	Wirtz & Co.
Barclays Merchant Bank	First Interstate Capital Markets	Limited	Westdeutsche Landesbank
Limited	Limited	Morgan Grenfell & Co.	Girozentrale
Baring Brothers & Co.,	Gefina International	Limited	Westalbain Bank
Limited	Generale Bank	Morgan Stanley International	Aktiengesellschaft
Bayerische Hypotheken-	Genossenschaftliche	Niederlandsche	Westpac Banking Corporation
und Wechsel-Bank	Zentralbank AG - Vienna	Middenlandsbank nv	Wood Gundy Inc.
Aktiengesellschaft	Girozentrale und Bank der	The Nildro Securities Co.,	Württembergische
Bayerische Landesbank	österreichischen Sparkassen	(Deutschland) GmbH	Kommunale Landesbank
Girozentrale	Aktiengesellschaft	Norddeutsche Landesbank	Girozentrale
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Herald Tribune

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BUSINESS ROUNDUP

IBM Unveils System to Link Computers

The Associated Press
NEW YORK — International Business Machines Corp. introduced on Tuesday a major element of a so-called "token-ring network" that allows information to be shared between computers, printers and other devices within a building or even a complex of buildings.

IBM said it was able to bring out the network six months before the earliest forecast.

Initially it will work with the company's personal computers, but with attachments the network can communicate with other IBM computers.

Several other companies, including Xerox Corp. and American Telephone & Telegraph Co., have competing local-area networks, which are designed to improve office efficiency by enabling computers and other data-processing devices to communicate with each other.

Adapter components that enable equipment from other manufacturers to be attached to the network are available from Texas Instruments Inc., IBM said.

The network specifications will be made available to vendors.

IBM will encourage other companies to develop software applications and other hardware for its token-ring network, according to

Stephen B. Schwartz, an IBM vice president.

Some computer users who had contemplated buying a local-area network had postponed a decision while waiting to see IBM's product. IBM said the token-ring network would initially serve its IBM PC, Portable PC, PC XT and Personal Computer AT.

IBM's network provides data-transmission speeds of 4-million bits per second and features automatic error detection and a method for bypassing a failed station, the company said.

It can connect up to 260 personal computers at once, IBM said.

IBM also announced a low-cost

option for customers that would allow them to connect their equipment with existing telephone cables.

That system can connect up to 72 PCs at a time.

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Workers Halt Strikes at 2 of 3 Renault Plants

Reuters
PARIS — Strikes at two Renault auto plants in France ended Tuesday after Finance Minister Pierre Bérégovoy warned the Communist CGT union that the protests could endanger the state-owned company's future. A strike at one plant continued, however.

Officials at the Le Mans factory, 200 kilometers (128 miles) west of Paris, said management and unions agreed on a peaceful evacuation of the factory by occupying members of the CGT to end a week-long stoppage.

Earlier on Tuesday CGT strikers decided to resume work at the smaller Choisy le Roi factory south of Paris. But the Billancourt plant outside Paris remained strike-bound.

Mr. Bérégovoy repeated government charges that the protest, prompted by planned cuts in year-end bonuses, had political undertones.

Domestic Auto Sales in U.S. Dropped 10% in Last Period

The Associated Press
DETROIT — Domestic car sales declined 10.1 percent in the United States in early October compared with a year earlier, the seven major U.S. automakers reported Tuesday.

The decline was attributed to the expiration of most special financing offers and rebates, which cleared out stocks of 1985 cars and pushed September sales to record levels.

In the Oct. 1-10 period, only Chrysler Corp. among the Big Three reported a year-to-year gain, selling 39.2 percent more cars than in the comparable period a year earlier. General Motors Corp.'s sales were down 14.8 percent and Ford Motor Co.'s declined 14.8 percent.

Among the smaller producers, American Honda Motor Co. reported that sales fell 35.7 percent. American Motors Corp.'s sales were down 32.5 percent and Volkswagen of America Inc.'s were up 43.3 percent.

"Chrysler's sales probably were way up because their incentive fi-

nancing programs lasted three days longer than GM's and Ford's. It's probable there were some added Chrysler sales in anticipation of a possible strike at Chrysler," said Gary Glaser, an automotive industry analyst at First Boston Corp. in New York.

Total sales for the Oct. 1-10 period came to 202,002 compared with 224,792 a year earlier.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Japan

Honda Motor	
2nd Qtr.	1985
Revenue	776,170
Net Income	47,170
Per Share	29.2

United States

Amer. Cyanamid	
2nd Qtr.	1985
Revenue	822.3
Net Income	24.8
Per Share	0.72

9 Months	1985
Revenue	2,458
Net Income	118.4
Per Share	2.4

1984 9-month net includes gain of \$5.5 million vs \$1.3 million.

Automatic Data Processing	
1st Qtr.	1985
Revenue	78.7
Net Income	15.7
Per Share	0.52

2nd Qtr.	1985
Revenue	150.0
Net Income	1.40
Per Share	1.42

9 Months	1985
Revenue	450.0
Net Income	2.40
Per Share	2.40

1984 9-month net includes gain of \$1.2 million vs loss of \$2.3 million in 9 months. 1984 quarter net also excludes loss of \$500,000 from discontinued operations.	
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Fst Florida Banks	
3rd Qtr.	1985
Revenue	11.7
Net Income	0.74
Per Share	0.64

9 Months	1985
Revenue	35.0
Net Income	2.11
Per Share	1.85

1984 9-month net includes gain of \$1.2 million vs loss of \$2.3 million in 9 months. 1984 quarter net also excludes loss of \$500,000 from discontinued operations.	
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General Signal	
3rd Qtr.	1985
Revenue	28.7
Net Income	2.15
Per Share	0.70

9 Months	1985
Revenue	85.0
Net Income	1.24
Per Share	1.25

1984 9-month net includes gain of \$1.2 million vs loss of \$2.3 million in 9 months. 1984 quarter net also excludes loss of \$500,000 from discontinued operations.	
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GTE	
3rd Qtr.	1985
Revenue	26.0
Net Income	1.33

BUSINESS PEOPLE

Gunn Is Named an Executive Director of B&C

By Brenda Erdmann

International Herald Tribune

LONDON — British & Commonwealth Shipping Co., a transport and financial services holding company, announced Tuesday the appointment of John Gunn as an executive director, enlarging the board to nine members.

Mr. Gunn, 43, resigned last month as chief executive of Exco International PLC, a fast-growing concern involved in money brokerage and other financial services.

An Exco source said Mr. Gunn was more eager than other directors to diversify the company, which he helped found in 1979.

B&C, which recorded net profit of £32.6 million (\$46 million) in 1984, owns about 21 percent of Exco and has interests in air transport, shipping, aviation-support services, office equipment and fund management.

Gillette Co., the Boston-based maker of shaving and personal-care products, has named Lorne R. Waxlar an executive vice president. He continues as chairman of the West Germany-based Braun AG subsidiary.

Finanzbank Brüssel Lambert (FBL) SpA of Milan has appointed Giovanni Giardina managing director.

W.R. Grace & Co., the New York-based concern that has interests in chemicals, natural resources, restaurants and retailing, has appointed Rolf Gensler a director.

Mr. Gensler is a managing director of Friedrich Flick Industrie-Verwaltung KGaA, which owns 26 percent of Grace and is also the holding company for West Germany's Flick industrial group.

Lloyds Bank PLC said its international banking division has set up a support team, based in London, for its operations in Latin America and the Far East.

The team is headed by Julian Avery, the principal manager. He was principal manager, Latin America division, in 1982 as a managing director with responsibility for international capital markets business.

Citicorp has named Pradeep Kashyap head of its investment banking activities in the Middle East and Africa. Mr. Kashyap will continue to hold regional treasury responsibilities for Citibank. He has been treasurer for the Middle East and Africa since 1982.

United Biscuits (Holdings) PLC has named Bob Clarke group chief executive. The appointment makes

Mr. Clarke heir-apparent to Sir Hector Laing, 62, chairman and chief executive. Mr. Clarke was managing director of the company's main subsidiary, United Biscuits (UK).

R.J. Reynolds Industries Inc. has named H.F. Powell president of the international division of its Nabisco Brands Inc. unit, filling a vacancy.

Hoschblower Fischer & Co., the New York-based securities and commodities brokerage, has opened an office in Zurich and named Walter G. Tanner as managing director.

Royal Nedlloyd Group NV, the Dutch shipping concern, has named Jan Dam managing director of its London-based subsidiary, Nedlloyd UK Ltd., which will begin operations Jan. 1. Mr. Dam currently is managing director of Nedlloyd Rijnland Binnenvaart.

Rowan Drilling (UK) Ltd. said it has opened an office in London, which will be headed by Paul L. Kelly, who previously was in the Houston headquarters of the parent, Rowan Cos., as vice president, industry and government relations. Rowan is an offshore drilling contractor.

Corporate Rules for Smokers

(Continued From Page 15)

free office. The company banned smoking in the office in June except for a designated lounge.

"We had to find a place other than the car park or the toilets where people could smoke. There was one partitioned office available. So we closed it off completely," says A.K. Wilson. To ease any withdrawal pains, the company phased smoking out over a period of three months, prohibiting smoking before 10:30 A.M. for a month, then before noon, then before 4:30 P.M. and finally the ban went into effect.

The company now considers time spent in the smoking lounge as

recreational time. Mr. Wilson estimates that perhaps 12 people out of 285 have had real problems coping.

There are other problems with banning smoking:

• Some companies do not bother to take a vote among their employees.

• Some make a deal with the unions in the factory, but not among the administrative staff.

• Others ban smoking only in the office, discriminating against those who have no private office. Smoking becomes an executive perk.

Increasingly, British companies are advertising for nonsmoking staff.

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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CURRENCY MARKETS

Dollar Up Despite German Intervention

Compiled by Our Staff From Dispatches
NEW YORK — The dollar rose slightly Tuesday in New York and Europe, against many European currencies, but dealers said traders continued to worry about possible central bank intervention.

Currency dealers said West Germany's central bank, the Bundesbank, intervened by selling about \$35 million. But keen demand, particularly among corporations eager to buy dollars at current exchange rates, kept the dollar even despite the intervention, dealers said.

Albert Soria, a vice president and foreign exchange manager at Swiss Bank Corp. in New York, said the market was still testing the resolve of the central banks.

Since the United States, Britain, France, Japan and West Germany agreed on Sept. 22 to work toward lowering the dollar, traders have been attempting to discover what level of exchange rates would satisfy the authorities.

The activity today was mainly

to see how far we can push the central banks," Mr. Soria said. He said the central banks might want to intervene later in the week if U.S. government statistics indicate that the economy has rebounded significantly. The Commerce Department on Thursday will issue its preliminary estimate on the third-quarter performance of the gross national product, the broadest measure of economic activity.

The department previously estimated that the GNP rose at a 2.8 percent annual pace between July and September. Analysts said a big upward revision could spur a rally in the dollar.

In New York, the British pound closed at \$1.4135, up slightly from \$1.4105 Friday, after the Columbus Day holiday on Monday.

Other New York rates for the dollar: 2.6663 Deutsche marks, up from 2.6575; 8.1263 Swiss francs, from 8.1100; 2.1820 Swiss francs, from 2.1785; and 1,798.00 Italian

lire, from 1,794.00, and 215.65 Japanese yen, from 214.85.

Dealers in London said Tuesday was an exceptionally quiet day.

"The market is virtually nonexistent," one commented. Demand for dollars was being countered by continued concern about central bank intervention, leading to stalemate, he said.

In London, the pound closed at \$1.412, down slightly from \$1.4135 at Monday's close.

In other trading in Europe Tuesday, the dollar was fixed at 2.6613 DM in Frankfurt, up slightly from Monday's 2.656 DM; at 8.1175 French francs in Paris, up from 8.104, and at 1,797.00 lire in Milan, up from 1,792.75.

In Zurich, the dollar closed at 2.1828 Swiss francs, slightly up from Monday's 2.1800.

In Tokyo, the dollar closed at 215.90 yen, from 214.90 yen on Monday. (AP, Reuters)

THE EUROMARKETS

Attention Is Focused Again on New Issues

By Christopher Pizzey
Reuters

LONDON — Attention in the Eurobond market again centered Tuesday on new issues, with prices of seasoned issues showing few major changes, dealers said. Once again, a variety of new issues were launched, although unlike Monday, most were denominated in U.S. dollars, they added.

The Korea Exchange Bank issued \$100 million in floating-rate notes. The 15-year issue, led-managed by Morgan Guaranty Ltd., says 3/4 point over the six-month London interbank offered rate, but after two years investors may switch into three-year notes paying 4/4 point over six-month Libor.

The issue was quoted on the market at 98.80, inside the total fees of 35 basis points. Dealers generally said that the bulk of the notes would be placed in the Far East. Seasoned floating-rate note trading picked up during the afternoon, although most issues re-

mained little changed from Monday's closing, dealers said. Activity was mainly focused on recent perpetual issues, they added.

In the dollar-straight sector, Ford Motor Credit Co. issued \$150 million in bonds paying 10 1/4 percent a year over six years and priced at 100 1/4. The lead manager was Goldman Sachs International Corp. The issue ended within the 1/8 percent total fees at a discount of about 1/4 bid.

Sun Capital Corp. issued \$100 million in bonds guaranteed by Sun Co. The five-year bonds pay 10 percent and were priced at 99 1/2. The lead manager was Credit Suisse First Boston Ltd. The issue ended on the market at a discount of about 1/4 bid, comfortably within the total fees of 1/4 percent.

Monday's novel yen-linked issue for the Long-Term Credit Bank of Japan Finance NV was raised to \$120 million from the initial \$100 million. The lead manager, Bankers Trust International, said that there

had been strong demand for the issue.

The Mortgage Bank of Denmark issued a 15-billion-yen dual-currency bond paying 6 1/2 percent over seven years and priced at 102 1/4. The lead manager was Nomura International Ltd. It was launched too late to trade actively.

Also launched late in the day was a 25-billion-yen dual-currency bond issue for the U.S. Student Loan Marketing Association, usually called Sallie Mae. The targeted issue pays 8 percent over 10 years and was priced at 101 1/4. It will be redeemed for \$136 million, giving an effective exchange rate of 183.82 yen to the dollar.

In the Japanese convertible sector, the expected \$100-million bond issue for the Dai-ichi Kangyo Bank was launched with an indicated coupon of 2 1/2 percent. The issue matures in March 2001 and was quoted at a discount of 3/4 bid, inside the 1/4 percent selling concession.

Growth by Acquisition: U.S. Airlines Develop a 'Hub' Mentality

(Continued from Page 15)

Air Transport Association, the U.S. industry trade group, projects that in the next five years, the 12 major U.S. carriers will shrink to six to eight and will control 85 to 90 percent of the traffic.

Mr. James, now an aviation consultant, estimated that the 85 other carriers certified by the Federal Aviation Administration would consolidate into 20 to 30.

He said that often the way for smaller airlines to compete is through mergers.

Readers building up large hubs, the major carriers can offer frequent-flyer programs with more numerous and more attractive destinations. In addition, they have more clout with travel agents, who account for 70 percent of the tickets sold.

The move by Piedmont and People could pressure such primarily East Coast carriers as USAir, Eastern and Delta to consider acquisitions to expand into new markets and protect existing routes.

And Northwest Airlines has said that it may seek a merger with a major domestic carrier if United gets the Pan Am routes. Northwest has argued that United, with its extensive domestic route network, could provide a large number of passengers to its Pacific routes. That, in turn, could force Northwest, the largest U.S. carrier to the Pacific, out of major overseas markets.

A source close to Eastern said that Eastern and Northwest have already had talks on whether a merger would be beneficial to the carriers. William Wren, vice president for public relations at Northwest, said the airline would have no comment. Jerry Cosley, vice president of public relations for Eastern, also had no comment.

"Anything can happen," said Mr. Schlesinger of the merger trend. He said the airlines are buying now, he said, "is market presence and to some extent assets."

Don McGuire, vice president of public relations for Piedmont, said that when the airline, based in Winston-Salem, North Carolina, was seeking to build a hub at Baltimore-Washington International Airport several years ago, it decided to buy a large commuter line, Henson Aviation, which already had a hub there.

For less than the cost of one new Boeing 737-300, which sells for

about \$14 million, Piedmont increased its flights at the airport to 170 a day, from 6. Mr. McGuire noted that if Piedmont had tried to build the hub by itself it would have taken years.

A major constraint is getting quick delivery of new planes. "We have 45 aircraft on order," Mr. McGuire said, "but it will take us

three years to get them. That's not as quick as we'd like to move."

Up to now, most major airlines have been content to form marketing agreements with commuter airlines. Under the agreements, the smaller carriers feed passengers to the major carriers in return for the large airlines steering passengers to the commuter lines to get to smaller cities.

Not having an equity position,

however, carries the risk that a commuter line will sever its ties and perhaps ally itself with a competitor who offers a better deal.

Pennsylvania Commuter Airlines Inc., one of eight airlines associated with USAir through its Allegheny Commuter system, was purchased by the airline early this year after its founder retired. USAir relies heavily on commuter lines to feed its flights.

Continental Airlines and Eastern are among the major airlines that have considered mergers with large and regional carriers.

Frank Lorenzo of Texas Air Corp., the parent of Continental, had put in a tender offer of up to \$22 a share for Frontier, only to be outbid by People Express, which offered \$24.

Floating-Rate Notes

Oct. 15

Dollar

Issuer/Mat.

Coupon Next Bid Ask

Alfred I. du Pont & Co.

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BOOKS

THE OBEDIENT WIFE

By Julia O'Faolain. 230 pages. \$17.95.
Carroll & Graf Publishers Inc., 260 Fifth Avenue, New York, N.Y. 10010.

Reviewed by William Frost

THREE decades ago, in a memorable short story, Sean O'Faolain dealt skillfully with the impingement of celibacy on a growing comradeship, between two young monks and two young nuns during a Gaelic-studying summer session in the Irish mountains in the early 1920s. Today we have Julia O'Faolain (pronounced "Oh-FAY-lin"), Sean's daughter, skillfully dealing with the impingement on celibacy of a growing companionship between a young priest, a married parishioner with five children, and her secular-minded friend Carla, central figure of this new novel.

Why Sybil Steele, the Stuebs have given up sex, wanting more kids after the first five — should imagine that an affair with a virgin male presumably as ignorant of birth-control techniques as she must be herself could result in anything but five more sequences of "petty meannesses . . . squabbles . . . rivalries, egotism . . . every one grabbing what they can" (the very things she objects to in her home life, the thing that has driven her into church work and her husband, Terry, into nightly radio broadcasting to get out of the house) — why she should imagine this is a real mystery, but logic and practicality are not Sybil Steele's long suits. In the novel's opening scene she goes to Carla's house in Beverly Glen, apparently to borrow it for an erotic encounter not yet even suspected (far from contemplated) by the priest, Leo.

The two O'Faolains have in common a strong interest in setting, Sean's misty mountains, finely rendered in the short story, was a foreshadowing of Julia's sure touch with the Glen world, where religious freaks (or Satanists' covens?) disembowel pet rabbits or cruelly crucify cats on carucers, while half-wild 13-year-old gamines build tree houses beyond Carla's chain link to share with Carla's son Maurizio, whom an Iranian schoolmate at the Los Angeles French lycée has invited home to share Aladdin's Olympic-size pool beside the family's French-style chateau complete with spiked gates and private shooting gallery.

The third O'Faolain specialty is a deft hand with titles. "The Man Who Invented Sin," Sean's name for the above-mentioned short story (and for a 1948 collection), neatly recalls Mark Twain's "The Man Who Corrupted Hadleyburg," while "The Obedient Wife" would have caught the instant attention of Boccaccio, Molière or Shaw. This novel is the best thing of its kind I have read since Alison Lurie's "The Nowhere City."

William Frost's "John Dryden: Dramatist, Satirist, Translator," is scheduled to be published early next year by AMS Press. He wrote this review for the Los Angeles Times.

BEST SELLERS

The New York Times
This list is based on reports from over 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

Week	Rank	Title	Author	Weeks on List
1	1	TEXAS, by James A. Michener	James A. Michener	1
2	2	LAKE WOBEGON DAYS, by Garrison Keillor	Garrison Keillor	7
3	3	LUCKY, by Jackie Collins	Jackie Collins	2
4	4	THE ACCIDENTAL TOURIST, by Anne Tyler	Anne Tyler	4
5	5	SKELETON CREW, by Stephen King	Stephen King	3
6	6	THE TWO MRS. GRENVILLES, by Domick Dunn	Domick Dunn	1
7	7	CONTACT, by Carl Sagan	Carl Sagan	5
8	8	A MAGGOT, by John Fowles	John Fowles	6
9	9	THE SECRETS OF HARRY BRIGHT, by Joseph Wambaugh	Joseph Wambaugh	15
10	10	LONESOME DOVE, by Larry McMurtry	Larry McMurtry	7
11	11	THE FOURTH DEADLY SIN, by Lawrence Sanders	Lawrence Sanders	9
12	12	AFRICA, by Ronald Reagan	Ronald Reagan	11
13	13	THE IMMIGRANT'S DAUGHTER, by Howard Fast	Howard Fast	12
14	14	THE CHICKEN HOUSE RULES, by John Irving	John Irving	13
15	15	THE RED FOX, by Anthony Hyde	Anthony Hyde	10

Week	Rank	Title	Author	Weeks on List
1	1	ELVIS AND ME, by Priscilla Beaulieu	Priscilla Beaulieu	1
2	2	DANCING BY THE LIGHT, by Shirley MacLaine	Shirley MacLaine	3
3	3	YEAH! An Autobiography, by Chuck Yeager	Chuck Yeager	14
4	4	IOCOCCA: An Autobiography, by Lee Iacocca	Lee Iacocca	4
5	5	LAST WITNESS, by Barry Rabin	Barry Rabin	3
6	6	A PASSION FOR EXCELLENCE, by Tom Peters and Nancy Austin	Tom Peters and Nancy Austin	7
7	7	RE-INVENTING THE CORPORATION, by John Naisbitt and Patricia Aburdene	John Naisbitt and Patricia Aburdene	8
8	8	COMMON GROUND, by J. Anthony Lucas	J. Anthony Lucas	9
9	9	SMART WOMEN, FOOLISH CHOICES, by Connel Coven and Mervyn Kessler	Connel Coven and Mervyn Kessler	6
10	10	ON THE ROAD WITH CHARLES KURALT, by Charles Kuralt	Charles Kuralt	1
11	11	LIVING WITH THE KENNEDYS, by Marcia Chellis	Marcia Chellis	14
12	12	GOODESS, by Anthony Summers	Anthony Summers	16
13	13	THE MICK, by Mickey Mantle with Herb Gluck	Mickey Mantle with Herb Gluck	10
14	14	THE AMATEURS, by David Halberstam	David Halberstam	12
15	15	CONFESSIONS OF A BOGGER, by Bob Hope with Dwayne Noland	Bob Hope with Dwayne Noland	13

Week	Rank	Title	Author	Weeks on List
1	1	ADVICE, HOW-TO AND MISCELLANEOUS		
2	2	FIT FOR LIFE, by Harvey Diamond and Dr. Berger's IMMUNE POWER	Harvey Diamond and Dr. Berger	1
3	3	DR. BERGER'S IMMUNE POWER	Dr. Berger	2
4	4	DIET, by Stuart M. Berger	Stuart M. Berger	2
5	5	WOMEN WHO LOVE TOO MUCH, by Robin Norwood	Robin Norwood	3
6	6	WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY	Webster's	5
7	7	THE FRUGAL COOKBOOK, by Jeff Smith	Jeff Smith	4

BRIDGE

By Alan Truscott

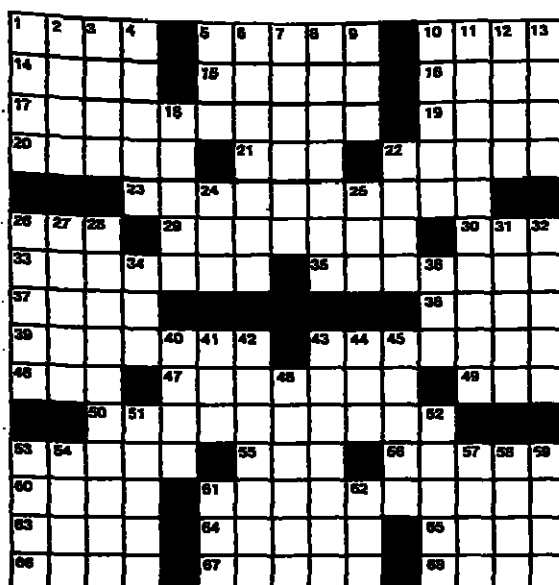
ON the diagramed deal, South opened one spade in third position. His partner, bid two clubs, the Drury convention, to find out if the opening bid was based on full value. It was, as the two-heart rebid revealed.

Now, North bid four spades, knowing that his diamond void was worth several tricks. South followed with six spades, knowing that his diamond void was worth several tricks. They were both quite wrong. The opening lead of the diamond king produced an immediate surprise for all four players: a ruff and snuff at the first trick. It was not as useful to South as it might have been, for he had no automatic loser. There were three potential losers, and he had to avoid two of them.

Dummy ruffed, and a club was thrown from the closed hand. The trump finesse succeeded, and as it happened, the contract was now safe. But South did not know this, and he made a play that maximized his chances.

Instead of simply finessing in both side suits, he cashed the spade ace and the ace and king of hearts. If both players had followed and the queen did not appear, he would have played a third round with excellent prospect. West might be end-played, or East might be forced to break clubs. At worst he would have been able to fall back on the club finesse. The actual result was anticlimactic: the heart queen fell.

North (D)	East	South	West
♠ A K Q J 10 9 8 7 6 5 4 3 2	♠ A K Q J 10 9 8 7 6 5 4 3 2	♠ A K Q J 10 9 8 7 6 5 4 3 2	♠ A K Q J 10 9 8 7 6 5 4 3 2
♥ A K Q J 10 9 8 7 6 5 4 3 2	♥ A K Q J 10 9 8 7 6 5 4 3 2	♥ A K Q J 10 9 8 7 6 5 4 3 2	♥ A K Q J 10 9 8 7 6 5 4 3 2
♦ A K Q J 10 9 8 7 6 5 4 3 2	♦ A K Q J 10 9 8 7 6 5 4 3 2	♦ A K Q J 10 9 8 7 6 5 4 3 2	♦ A K Q J 10 9 8 7 6 5 4 3 2
♣ A K Q J 10 9 8 7 6 5 4 3 2	♣ A K Q J 10 9 8 7 6 5 4 3 2	♣ A K Q J 10 9 8 7 6 5 4 3 2	♣ A K Q J 10 9 8 7 6 5 4 3 2



- ACROSS**
1. A barren Alaskan island
 5. Actor Al Pacino
 10. What Trevino drives
 14. "Le Roi d'Ys" composer
 15. Valuable pet
 16. Capital of Western Samoa
 17. Increase in value
 19. Lively
 20. Hudson contemporary
 21. Winner over A.E.S.
 22. Flooring
 23. Reason for a face lift
 26. Youths' outdoor org.
 29. Dedicated and serious
 30. Sonny's sibling
 33. Horrific
 35. Comment
 36. Expansively
 37. The cat's whiskers
 38. Cigarette
 39. Buckeye's neighbor
 43. Rootlet
 46. Dutch hybrid tree
 47. Aseptic
 49. Perpetually, to Peacock
- DOWN**
1. Wings for a
 2. Dipe bait
 3. Grain or Noric
 4. Asian
 5. Physics student's deg.
 6. Super Bowl winners: 1977, 1981 and 1984
 7. Nigerian city
 8. Maiden-name indicator
 10. Fundamental
 11. Roast-pork accompaniment
 12. Calabrian cash
 13. Medieval melodies
 18. Eject
 19. Blasters' materials
 24. "Joey"
 25. Chemical suffix
 26. Slower
 27. Film container
 28. Site of Lee's surrender
 31. Soba fireplace
 32. Take the helm
 34. Caper
 36. Windy City, for short
 40. TV program: 1965-68
 41. J.F.K. info
 42. Convalescent's setback
 43. Destructive mobs
 44. Smith and Pacino
 45. Distributed at
 46. Boisterous one
 51. Mar del Argentino resort
 52. Lathers
 53. Common camp
 54. Thrice minus twice
 57. Timor town
 58. Mini-biter
 59. Boiardo's patron
 61. Eyer
 62. Pawnee's cousin

© New York Times, edited by Eugene Melnick.

DENNIS THE MENACE



My teacher said the world is round, but my dad says it's crooked.

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

- INYP
- CROWE
- RETAUN
- ROYLOP
- Answer: WHO (Answers tomorrow)

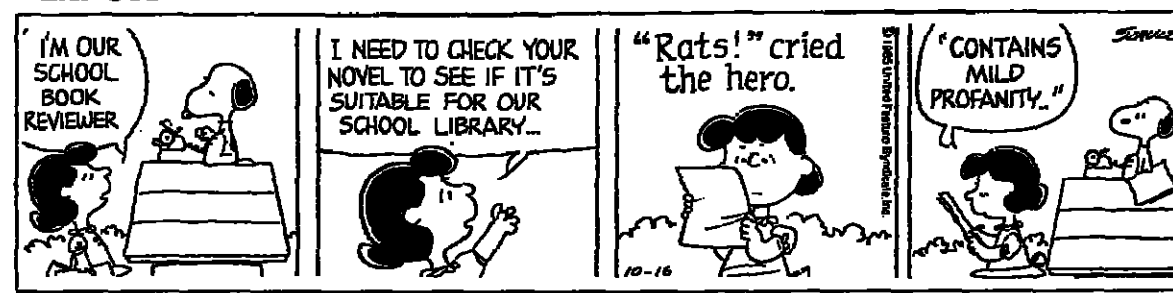
Yesterday's Jumbles: VISOR POTTER COLUMN

Answer: Some men can't be trusted too far — or this — TOO NEAR

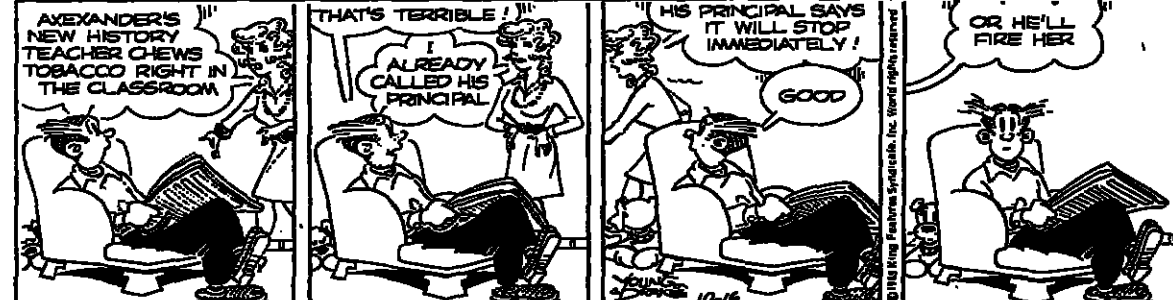
WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	62	48	Beijing	62	48
Athens	62	48	Bombay	82	68
Bombay	82	68	Buenos Aires	72	58
Buenos Aires	72	58	Calcutta	82	68
Calcutta	82	68	Chennai	82	68
Chennai	82	68	Colombo	82	68
Colombo	82	68	Dhaka	82	68
Dhaka	82	68	Hankow	62	48
Hankow	62	48	Harbin	62	48
Harbin	62	48	Hong Kong	82	68
Hong Kong	82	68	Kobe	62	48
Kobe	62	48	London	62	48
London	62	48	Manila	82	68
Manila	82	68	Medan	82	68
Medan	82	68	Osaka	62	48
Osaka	62	48	Shanghai	82	68
Shanghai	82	68	Singapore	82	68
Singapore	82	68	Taipei	82	68
Taipei	82	68	Tokyo	62	48
Tokyo	62	48			

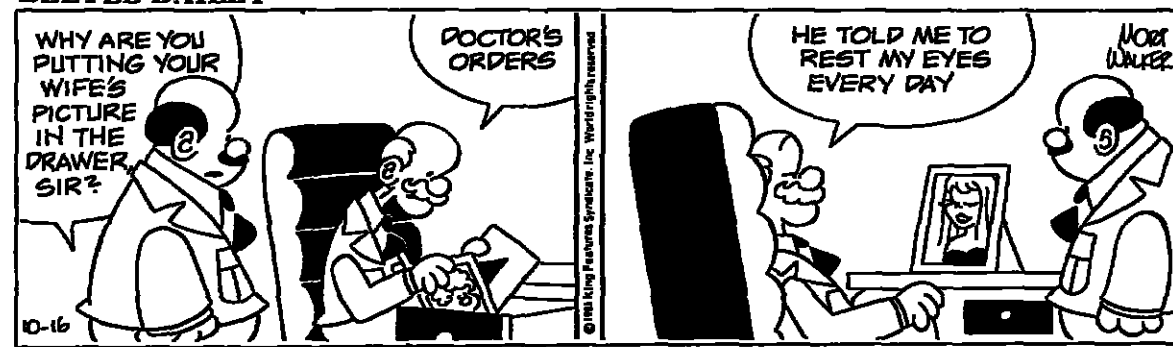
PEANUTS



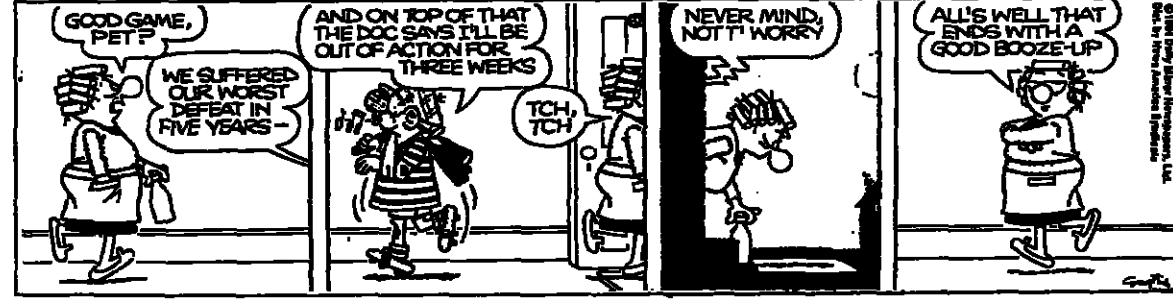
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BEETLE BAILEY



ANDY CAPP



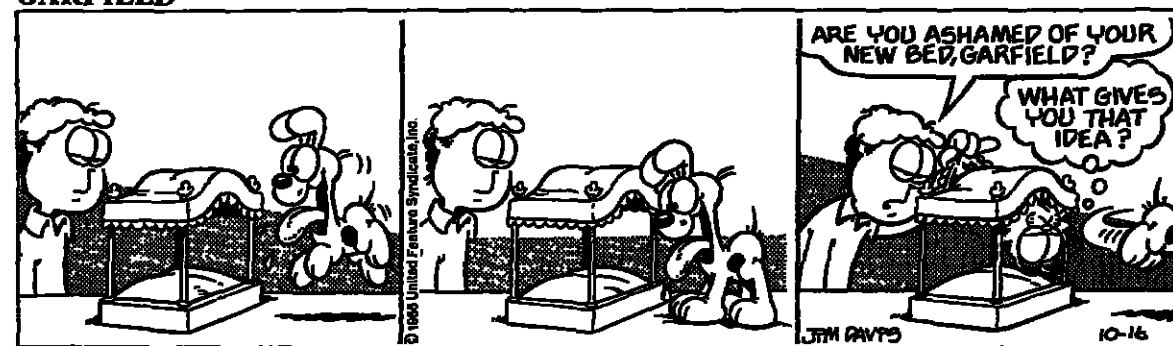
WIZARD of ID



REX MORGAN



GARFIELD



World Stock Markets

Via Agence France-Presse Oct. 15

Closing prices in local currencies unless otherwise indicated.

Market	Index	Change
Amsterdam	1,100.00	+10.00
Brussels	1,100.00	+10.00
Frankfurt	1,100.00	+10.00
London	1,100.00	+10.00
Paris	1,100.00	+10.00
Stockholm	1,100.00	+10.00
Sydney	1,100.00	+10.00
Zurich	1,100.00	+10.00

Market	Index	Change
Amsterdam	1,100.00	+10.00
Brussels	1,100.00	+10.00
Frankfurt	1,100.00	+10.00
London	1,100.00	+10.00
Paris	1,100.00	+10.00
Stockholm	1,100.00	+10.00
Sydney	1,100.00	+10.00
Zurich	1,100.00	+10.00

Market	Index	Change
Amsterdam	1,100.00	+10.00
Brussels	1,100.00	+10.00
Frankfurt	1,100.00	+10.00
London	1,100.00	+10.00
Paris	1,100.00	+10.00
Stockholm	1,100.00	+10.00
Sydney	1,100.00	+10.00
Zurich	1,100.00	+10.00

Market	Index	Change
Amsterdam	1,100.00	+10.00
Brussels	1,100.00	+10.00
Frankfurt	1,100.00	+10.00
London	1,100.00	+10.00
Paris	1,100.00	+10.00
Stockholm	1,100.00	+10.00
Sydney	1,100.00	+10.00
Zurich	1,100.00	+10.00

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SPORTS

The Tricky Job of 'Putting a House in Order'

International Herald Tribune
LONDON—Fleeting moments, goals born of genius or horrendous error, can still make or break the nations queuing up for Mexico. All part of the game's design; those who can't handle it—namely those contesting seven World Cup qualifiers in Europe this week and two each in Africa and Oceania—should not have entered. Twenty-four hours is a much less manageable time. A time for administrators, in cold deliberation, to deprive a country's right even to start a competition.

In all probability, England will experience the difference from Wednesday to Thursday. At home,

she should qualify blindfolded for next summer's World Cup. Abroad, she half expects to be banished the way next day from kicking a solitary ball in the 1986 European championship.

Both are England's due. A mere draw at Wembley, against Turks the English wiped out, 4-0, in Istanbul, will lock up the World Cup berth. And when UEFA meets in Vienna on Wednesday, the foundation of organized soccer will have no defense against her expulsion from Europe.

Every decision made in the aftermath of last May's Heysel Stadium tragedy points to that conclusion. What would be the logic of banning

English clubs for their ghastly, but intermittent, hooligan followings, which smash life and property, and yet absolve the national team, which almost invariably has proven

ROB HUGHES

the catalyst for violence within sailing distances of her shores?

A decision to ban England goes up from Lancaster Gate, the London headquarters of the English Football Association. With the same voice that presumped the ban on English clubs by withdrawing them so soon after the 39 deaths in Brussels, the FA now bleats that

exclusion of the national team would be unfair, premature, disastrous.

Could profit (the FA makes money from the national team but not from the clubs) have come between lives and conscience?

The more the bigwigs try to rationalize their case, the more disrespectful the case appears. Having for years been the unwitting exporters of ugly and disturbed British youth—and having claimed with justification that soccer was the victim, not the cause, of inner-city ills—the FA now pleads with UEFA to ignore Hooligans and Brixton and Tottenham as "having nothing to do with football."

Ted Croker, the English FA secretary, has even more arguments of convenience. He talks of the "inevitable prejudice because of the Brussels tragedy, even though that did not involve the national team" (although Luxembourg, Copenhagen, Turin, Paris, etc., surely did).

He says there are "countries apart from England that have crowd disturbances, especially at home. But they don't seem to have troubles away. Ours is the other way 'round." Precisely, Mr. Croker.

Adds his boss, Chairman Bert Millichip: "I know we have put our house in order, and whatever UEFA thinks, we would not be leading an England team backed by hooligans before we entered."

Nice to hear. Impossible to substantiate.

I appreciate that, for this argument, the FA wishes to divorce itself from the clubs. Yet although crowds have become drastically reduced post-Heysel and although hooliganism is less evident, the house-in-order theory turned sour in my own city 10 days ago.

It was then that Manchester United, after 10 straight victories, slumped to a draw at Luton. Manchester's hooligans couldn't take it. A bunch of them, always that contained minority, poured off the trains into nearby shopping centers, drank their fill and started smashing up property and using broken beer glasses on the faces of innocent citizens. Some order.

As an Englishman, I fear that to invite the old country into the next European tournament may be more of a disaster than to block our path. Violence, regrettably, has not left our society, and games in Western Europe, with duty-free liquor and waiting confrontation, are just too damned close.

The only way to "put our house in order" has long seemed to change the constitution, to prevent by government decree the louts from stepping aboard ferries under the union jack.

But hasn't the British government always protected the "inalienable right" of its citizens to travel? Well, Neil MacFarlane, the minister for sport, always did.

He, you'll recall, spent his four-year term stonewalling and denying that a hooligan problem of consequence existed. He departed in the recommendations over Brussels; Richard Tracey has been in office barely a couple of minutes, and presto, the government is seeking ways to tamper with inalienable rights.

Tracey spoke last week of working the diplomatic channels between England and Mexico to insure, through a screening process at the visa stage, that louts with previous convictions do not fly the flag at the next World Cup.

Mexico, a world away, would have thinned out the numbers by sheer distance and expense alone. But if England's soccer is to be welcomed nearer to home, the substitution of Tracey for MacFarlane and evidence that there is at last the political will to put the safety of others before a thug's protective charter will prove the first step in a long rehabilitation.

Soccer—the game—can then be debated.

Full-Grown NFL Bears Show Their Claws

By Gary Pomerantz

SAN FRANCISCO—The Chicago Bears have taken on the air of sultans, replete with swagger and sweat.

The Bears dismantled the San Francisco 49ers, 26-10, Sunday at Candlestick Park, reducing the defending National Football League champions to a 3-3 paperweight band leaving the nimble 49er quarterback, Joe Montana, in a seven-sack heap.

Late Sunday, Montana was asked if he'd been hurt in the game, and the most valuable player of the 1985 Super Bowl said, "No. The refrigerator [defensive tackle William Perry] fell on my head, but I'm all right."

Just like that, the Bears are 6-0 and operating as smoothly as the Daley administration in its prime.

Ten minutes before kickoff, Chicago's general manager, Jerry Vainisi, had said, "If we win this game, then we truly are a load in the NFL, and it means we have to be reckoned with."

Said Dan Hampton, the all-pro defensive tackle, "The only concern we have right now is ourselves. I don't think if we play our game that anybody can stay with us."

How is it that the Bears have taken such sturdy shape, so quickly?

First and foremost, their league-best defense of 1984 has become even better this season with ball-hawking rogues named Fencik, Dent, Singletary and Hampton.

Sure, all-pro safety Todd Bell and linebacker Al Harris remain contract holdouts, but their respective replacements, Dave Duerson and Wilber Marshall, have made general key plays, and Vainisi says the chances are not good that either Harris or Bell will return this season.

That doesn't seem to matter: The Bears held Tampa Bay running back James Wilder, to 29 yards on 18 carries.

They held the 49ers to 183 total yards, lowest in Coach Bill Walsh's six seasons.

And how about the fact that the offenses of Walsh and the Redskins' Joe Gibbs—two coaches of point-scoring renown—combined

for a total of one touchdown against the Bears?

Then there is the continuing evolution of Coach Mike Ditka, now in his fourth season. Only two years ago, Ditka was so sure that he ordered his special teams' bit men to "get" Detroit kicker Eddie Murray, whom Ditka thought was showboating.

Another time, Ditka punched a locker after a defeat and broke a bone in his hand. (And late Sunday, not long after the team played had landed back in Chicago, Ditka was arrested and charged with driving while intoxicated.)

In the 1960s, Ditka was the favorite tough-it-out tight end of the Bears' founder and coach, George Halas.

But nowadays, players and coaches say Ditka has lapsed his emotions. He's in-control, they say, and winning helps plenty.

It is also irrefutable that the biggest improvement in the 1985 Bears, who lost to the 49ers, 22-0, in last January's conference title game, is quarterback Jim McMahon.

McMahon, who missed seven games last year with a lacerated kidney, has avoided major injury thus far, and the results have been overwhelming. McMahon seems to have reached a level-headed, big-play maturity, albeit with spiked hair and pink polka-dot sunglasses that make you wonder if he's Cyndi Lauper's big brother.

The biggest difference in this team has been the maturing of the offense. "I said Vainisi. Suddenly the league's top rushing game was the Bears' offense," McMahon said.

It could be that the emergence of third-year receiver Dennis McKinnon has made a superior producer of trackman-turned-receiver Willie Gault. Or it could be vice versa. McKinnon has caught half of McMahon's 10 touchdown passes, and Gault had four catches for 34 yards or longer.

Most likely, it has been the emergence of McMahon that has made superior producers of both these receivers. Unlike his backup, Steve Fuller, McMahon can throw deep,

and can throw into the end zone, too.

Linebacker Mike Singletary said the turning point of this season came in week 3, when McMahon threw three touchdowns passes in the third period to rally the Bears to a 33-24 victory at Minnesota.

Jim Hart, a former Cardinal and Redskins quarterback who now does color commentary on radio for Bears games, recalled, "Jim was smart, and nobody expected him to play that night."

"His first pass goes for a touchdown. His second pass goes for a touchdown, and his third pass should have gone for a touchdown."

"He's a Billy Kimer type. He's brash like Billy. He's got guts like Billy," Hart said. "And he throws a better spiral."

Quarterback has been like a hole in the middle of the Bears' doughnut for years. A franchise full of guys named Burkus, Sayers and Payton went 21 years without winning a playoff game, because, in large part, of ineffective passers.

Payton is the player carrying the tradition, if not always the football. He has been compared with the Cubs' Ernie Banks in that he has spent much of his career as a superstar surrounded by nonentities. Since Payton arrived in 1975, the Bears are 77-76.

Although Payton has averaged just 70 yards rushing per game this season, it was he who carried the ball 18 times for 88 yards in Sunday's second half. He finished with 132 yards rushing and scored the game-breaking 17-yard touchdown with less than four minutes left.

These Bears talk proudly of McMahon's toughness, of rookie kicker Kevin Butler's accuracy (14-of-18 in field-goal tries) and of the defense's indomitable will. But they love to talk most about Payton's smarts.

In a game earlier this season, Payton walked off the field, apparently suffering from an eye injury. The trainer looked at his eye as he helped Payton off the field.

Only later was it learned that Payton had injured his ribs—not his eye—and that he was playing soccer on the opposing defense wouldn't zero in on his ribs when he returned to the game.

And you thought the guy could only run, catch, pass and block.

Coach Mike Ditka of the Chicago Bears.

The Associated Press

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Cardinals Win on Homer in 9th

By Thomas Boswell

ST. LOUIS—Ozzie Smith, the tightest St. Louis Cardinal, the hand-springing acrobat of defense who couldn't hit a ball over a fence left-handed if you let him toss it up himself, beat the Los Angeles Dodgers out of a playoff game, and maybe a pennant, with a home run in the ninth inning last Monday.

In eight seasons, Smith has 13 home runs. Never, not in 3,001 at-bats, had he hit one left-handed—until he flat crushed a belt-buckle fastball from Tom Niedenfuer, who is 6-foot-5 and weighs 230 pounds (195 meters, 104 kilograms).

When his hooking drive finished its assault and battery on a concrete pillar above the fence in the right-field corner, the Cardinals had won, 3-2—the same margin by which they now lead the best-of-seven National League pennant series.

"I'm dumbstruck," said Los Angeles manager Tom Lasorda. "In baseball, you learn one thing: Never expect the unexpected. I just don't understand."

The Cardinals will tell you it was poetic justice, virtue rewarded. The \$2-million-a-year Smith both leads and epitomizes the team with his defense, speed, brains, intensity, prickly pride and cocky daring. "He deserves this because he works his heart out every day," said Tommy Herr, who had a two-run first-inning double; none other than Smith—ignoring a coach's stop sign—carried home the second run on Herr's hit.

The Dodgers will spit in your eye and tell you Monday's ending was the rottenest fluke that ever threatened to decide a pennant. Niedenfuer's pitch was a textbook gun. "I've given up trying to figure things out in this game," said a disgusted Mike Scioscia, the Los Angeles catcher.

If Smith, at 150 pounds the lightest regular in the major leagues, was heroic, what was Fernando Valenzuela?

Cardinal fans were home and a man was on third base; he'd walked the first two batters of the game and had thrown a pickoff into center field.

Yet Valenzuela left after eight innings with a 2-2 tie, thanks to a two-run eighth-inning homer by Bill Madlock off Bob Forsch in the fourth inning. Six times Valenzuela, who walked a league championship-series record eight, stranded runners in scoring position.

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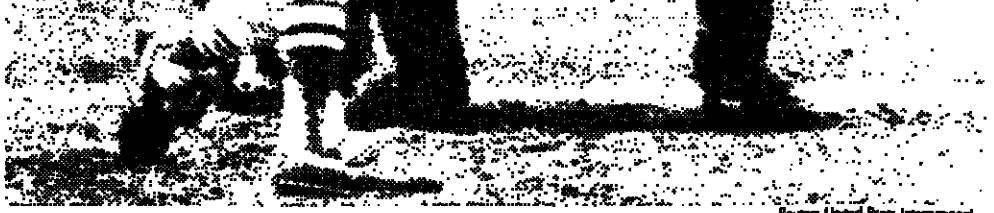
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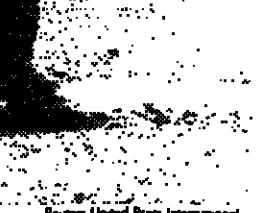
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OBSERVER

Taxi! Taxi! Hey, Taxi!

By Russell Baker
 NEW YORK—6:10 P.M.
 How do you get a taxi around here? Ten minutes I've been standing here on Third Avenue at 39th Street waving at cabs, all of which are occupied. Hundreds of cabs, every last one occupied. Ed, you think there'd be any cab empty. It's statistically inevitable, isn't it?

O.K., in New York nothing is inevitable. One cab wouldn't help anyhow. Look down Third Avenue. Ed, I count 17 people on this side of the street waving at oncoming taxis, all occupied. That doesn't count the people waving across the street. Also it doesn't count that big, dangerous-looking fellow on the corner who started waving when I came here and started waving when I came here and started waving when I came here.

Ed, would you give him one of your nice big winning smiles? He is probably coming over here to plant himself ahead of me so he can beat me out in the event an empty cab decides to pass up all those 17 people waving down the avenue and stop at this corner, but a nice smile from the mayor might change his mind if he's thinking of punching my nose.

6:35 P.M.
 In looking for an empty cab I think we were smart, Ed, to walk up 39th Street to Lexington Avenue, down Lexington to 56th Street, up 56th to Park, down Park to 44th Street, and across 44th to Fifth Avenue. That way we satisfied ourselves that while there aren't any empty cabs at Third Avenue and 39th, neither are there any empty

Guinness Book's New Edition
 United Press International

NEW YORK—A Chicago couple who kisser for 17 days, 10 hours, two Canadians who rode a roller coaster for 503 hours, and a 2,107-pound (957-kilogram) pancake flipped by a helicopter are among new entries in the 1986 Guinness Book of World Records.

cabs in the whole nine-block area. What's more, Ed, we got far away from that dangerous-looking guy who scowled in rage when you smiled.

6:40 P.M.
 Let's count our blessings, Ed. At least it isn't raining. If it were raining, there still wouldn't be any cabs to take us to Bleeker and Sullivan Streets either, and what's more, we would now be soaking wet.

As the mayor, Ed, you could start an improved publicity campaign with the slogan, "I especially love New York when it isn't raining."

6:50 P.M.
 Well, how about, "I love New York even though you can't get a cab there, because the drought lets you get where you want to go without getting your feet wet?"

6:55 P.M.
 Sure I'm slowing down, Ed. If you'd been hit with an oncoming shoulder the way that All-American backslider pedestrian laid it into me back there at 29th Street, you'd be slowing down too.

As mayor, Ed, can't you use a little pull and get an ambulance to take us to Bleeker Street?

6:55 P.M.
 You are right about the bus, Ed. We should have taken the bus to start with. Then we wouldn't have had to walk all the way to 23d Street, me with two ribs busted by that linebacker so proud of his pedestrianhood back there at 29th Street.

Hey, Ed, how can you tell which of these many variously numbered Fifth Avenue buses go to Bleeker Street? On Fifth Avenue, you can take a bus to 23d Street, and across 23d to Fifth Avenue. That way we satisfied ourselves that while there aren't any empty cabs at Third Avenue and 39th, neither are there any empty

Writer A. S. Byatt Sits for a 'Still Life'

By Kathy Stephen
 LONDON—In the home of Antonia Byatt, an underpunctuated but highly respected English novelist—there is an air of serious thought, an atmosphere of intellectualism. But there are also signs of family life in progress in the suburban home in Putney. The dog has scratched a round hole in the carpet, a child's handmade calendar hangs crookedly on a peg.

Antonia Susan Byatt manages to weave these two levels of her existence into dense and complex novels that have made her one of the most highly regarded British novelists since World War II.

Anthony Burgess thought her 1978 novel, "The Virgin in the Garden," a masterpiece. It earned her a place in the rarefied tradition of modern British authors who attack big themes—living examples of whom include Iris Murdoch, William Golding and Burgess.

Now A. S. Byatt, as she is published in Britain (but not in the United States), has completed an eagerly awaited sequel to "The Virgin." Called "Still Life," it was published in June by Chatto & Windus/The Hogarth Press in London and is being issued in the United States by Scribner this month.

"My mind works extremely slowly," she said, as though apologizing for the seven-year gap between the two books. Her first novel, "The Game," was published in the 1960s.

Byatt, almost 50, sat bolt upright in a chair in her living room, talking in a measured and precise voice; she almost never mispicks or starts a sentence over. It is clear that she is a lover of language and married to words. She has devoted her professional life to books, as a literary critic who until recently taught literature at London University and as the author of three literary criticism books and a number of biographies of great British writers. "I never really considered anything other than reading and writing. I grew up very asthmatic and read like crazy in bed. It is just what we do; a striving for the peace described in that epigram from Proust which I put in the beginning of the novel, 'la beauté... dans la vie profonde des "naïvetés mortes" — the very deep life that lies at the bottom of still life paintings."

The still life in art is the second meaning Byatt has developed, using van Gogh as kind of guiding spirit, a symbol for the electricity and excitement of body and mind. "Van Gogh paints still lifes with a kind of fury. They're full of terrible life," Byatt said. Part of "Still Life" is set in Provence, where van Gogh painted some of his most animated and colorful works.

Frederica saw the long ridges of dusty gray-green lavender leaves and imagined violet spikes. She saw the unshadowed earth in yellow light, more vines, new shoots of what she did not recognize as young maize. Later, traveling knowledgeably south at thirty, at forty, full of accrued wisdom about good little places... Café Roumiers and long-vanished sand dunes she tried to remember



Writer Byatt: "A compulsion."

would have unhesitatingly put in 20 or 30 years ago because I think people will think they're just English."

She has turned this concern with small things to her advantage in "Still Life." The title took on layers of meaning as she wrote, she said. She was interested in exploring the "still life" expressed by physical objects in contrast to the complex, animated life of human beings.

"In Freud's myth the peace of the inanimate came before the striving of life," a character says in the novel. Byatt said she felt that human beings longed for the static, rest and peace evident in Wordsworth's "Rocks and stones and trees," the fascination with the preconscious world.

"But there is no stasis," Byatt added. "It's just what we desire; a striving for the peace described in that epigram from Proust which I put in the beginning of the novel, 'la beauté... dans la vie profonde des "naïvetés mortes" — the very deep life that lies at the bottom of still life paintings."

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the surprises, only half experienced that day, of that land to her unexpecting eyes."

Frederica is the middle child of the Potter family, whose story began in "The Virgin of the Garden." "Still Life," whose story is self-contained, concentrates on the adventures of Frederica as she comes of age, travels to Provence and goes to Cambridge University, and, as a counterpart, on the more inward-looking life of her older sister, Stephanie, who marries a curate, gives birth—in a scene in which Byatt has devoted the best of her descriptive powers—and becomes the focus of the book's central tragedy.

Critics have observed that Byatt is particularly adept at writing about grief and the difficulties of life. She says her life has been divided in half: the time before her 9-year-old son, Charles, was killed in an accident, and the time after. Her writing has provided a way of helping work through her grief.

Antonia Byatt was brought up in Yorkshire in an intellectual family, the daughter of a judge. She has one daughter from her first marriage and two with her present husband.

Antonia Byatt's younger sister is Margaret Drabble, whose reputation as a novelist has proven a formidable point of comparison for Byatt. Both sisters attended a Quaker school, which Byatt believes helped establish the values are reflected in her novels.

"I was taught by the Quakers that you ought to want nothing. And I was taught by the Quakers to believe this kind of still, inner voice which has no personality. I mean they worship in silence; they empty everything out. I hadn't connected it before, but something to do with the Quaker silence is also the stillness in the middle of 'Still Life.'"

She has not maintained her religious beliefs, but does say, "I feel terribly in need of a God who created things and a kind of driving intelligence. And I suppose this goes back to the center of 'Still Life.' One would like to be able to see into the life of things, as someone said. One would like to be able to see into what moves, both the stars and tiny things, and one would like it to be intelligent and purposive."

In the middle of this conversation, a tiny kitten entered the room and began a teetering, playful progress down the dark green carpet. The conversation broke, and Byatt went to get a beautifully organized notebook for a new novel, to illustrate how she works. "The new novel is called 'Possession,'" she said. "It will be about Browning."

She took a moment to show one of the rooms in which she writes, a dining room that will fill with sun on fair days. "Writing is a drive," she said. "It's a compulsion. At the same time it's hung about with all sorts of leaden weights of despair and anxiety for me. I'm sure some of that has to do with my sister."

Kathy Stephen is a London-based journalist who specializes in cultural affairs.

PEOPLE

America's Richest Man

The richest person in the United States drives a pickup truck and owns a chain of discount stores in small towns in the Sun Belt. According to a survey published by Forbes Magazine on Monday, Sam Walton, 67, of Bentonville, Arkansas, is worth \$2.8 billion and has overtaken Gordon Getty as the wealthiest American. Walton owns the 745-store Wal-Mart chain, which last year did business of \$6.4 billion. The magazine listed 42 first-time entries in its annual compilation of the 400 richest Americans, whose net worth tops \$150 million. Getty, son of the oil magnate J. Paul Getty, led the 1984 list with a net worth of \$4.1 billion but ranked 15th this year. He is not even among the billionaires, because of the Internal Revenue Service's \$1.1 billion tax bill on last year's sale of Getty Oil to Texaco and his own tentative agreement to relinquish sole control of the family trust. Second in the rankings, with an estimated net worth of \$1.8 billion, is Henry Ross Perot, 55, who founded Electronic Data Systems in 1962 on \$1,000 and sold his 46-percent stake in the company to General Motors Corp. in 1984 for cash and stock worth \$1.5 billion. Perot ranked fourth last year.

David Packard, who founded an electronics firm with William R. Hewlett with only \$595, stands third because of his 17-percent share in Hewlett-Packard, worth more than \$1.5 billion. A number of the oil-rich, including Amman Hammer, chairman of Occidental Petroleum Corp., and four Rockefeller family members remain on the list, which includes 14 billionaires. The combined fortunes of the 400 total \$134.6 billion. Only 10 percent own significant inheritances. Fourteen are immigrants, 78 are women, and at least eight did not finish high school. Many of the rich are not very well known. James Jaeger, at 37 the youngest of the self-made rich, earned \$175 million with automotive radar detectors. Max Palevsky, 61, is a computer designer who made \$200 million. Philip Hampton Knight used to sell sneakers. He still does, in a way. He owns \$195-million worth of Nike.

Ricky Skaggs, who dropped out of high school in the 12th grade to play music full time, won the entertainer of the year award Monday



Sam Walton

night in Nashville, Tennessee, from the Country Music Association. His award broke a three-year hold on the top honor by Alabama, a four-piece band who sought an unprecedented fourth straight victory. Skaggs' band also was voted top instrumental group. George Strait, a former foreman of a Texas cattle ranch, won male vocalist of the year and album of the year for "Does Fort Worth Ever Cross Your Mind?" The mother-daughter duo, the Judds, also were double winners, winning single of the year for "Why Not Me?" and vocal group of the year. Reba McEntire was voted female vocalist of the year for the second straight time.

Queen Elizabeth II is to be the first British monarch to visit China. She and her husband, Prince Philip, 64, are to visit China next year from Oct. 12 to 18, and Hong Kong from Oct. 21 to 23, Buckingham Palace announced Monday. The queen, 59, last visited Hong Kong in 1975.

Jacques Cousteau's experimental wind ship Alcyon sailed Monday from Norfolk, Virginia, on an around-the-world voyage that will include stops at major shipbuilding centers. The ship and its five-man crew will spend the next two years conducting marine research and testing the 103-foot (31-meter) vessel's wind propulsion system.

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